The Financial Post

25 cents

Canada's National Weekly of Business, Investment and Public Affairs.

Vol. LIII | Member of Audit Bureau of Circulations ★ Publication Office: Toronto, July 25, 1959 ★ Twenty-five Cents an issue, Eight Dollars a Year | No. 30

Accountants' Spokesman

Photo by Krass Studio

The Society of Industrial and Cost Accountants of Canada has more than doubled its membership to 7,000 members in the last four years. New president of this fast-growing organization, Thomas A. Kennedy of Vancouver, will head a varied program of educational activities in co-operation with 22 Canadian universities. The society also sponsors executive development courses and regular chapter meetings in 31 Canadian centres. Mr. Kennedy is vice-president of Pacific Coast Pipe Co.

NATION'S BUSINESS

Do-It-Yourself Bomb Kits

This week's bargain: Do-it-yourself atomic bomb kits.

That's the way some of the Americans are referring to the deal whereby the U. S. plans to share some atom-bomb information with seven Nato partners, including Canada.

This new "sharing" policy looks fine at first glance. It will inflate a few Canadian chests and help heal an old French wound.

But we sympathize with those Americans who have such deep misgivings about the scheme. For two reasons:

First: The more nations rigged out with atomic weapons, the harder it will be to achieve with Russia any agreement on nuclear slow-down.

Second: Nuclear weapons are incredibly dangerous to all mankind and we maintain the fewer the people who have control over their use the safer. Because of geography, Canada's fate in a holocaust will be the same as America's.

Instead of peddling atomic secrets around and inflating egos among the NATO allies, the important work to get done is to de-horn this weapon which only fools would unleash and which would produce a result in which there was no victor — only losers.

The continued testing of these weapons needs sharp re-examination. New evidence now indicates that strontium-90 is falling from the stratosphere three to four times faster than the experts believed only a year ago. The fall on northern U. S. and southern Canada is said to be very heavy.

At this new rate of fall-out, it is calculated that in two decades all mankind will have absorbed more strontium-90 than is now regarded as safe maximum. This means that hundreds of thousands will have their father's or grandfather's generation to thank for disease, deformity or premature death.

All history shows that man often handles his affairs like a lunatic. But in the atomic age, these follies can be prodigious.

• • •

No Room for Luddites

No man of goodwill will welcome the fractiousness which is rising in the difficult, obdurate field of labor-management relations. But the prospect for bitterness in the rooms where management and labor meet was never greater than now.

The current U. S. steel strike clearly demarcates the issues. It is not, in essence, a clash over wages. The real conflict is this: Labor wants to enhance the power it has won over the past quarter century; management is determined to recapture its right to manage.

As demonstrated by the U. S. steelmakers, management wants to modernize work practices, put an end to featherbedding, eliminate the costs of carrying free-riders. After spending billions of dollars on new equipment in the postwar years, it realizes that this investment won't pay off if management is forced to perpetuate work rules probably appropriate to the methods of 20 or 30 years ago.

Management's determination to make work practices as modern as its machines is not an attack on union security. It is a demand that the men in plants realize where their real welfare, prosperity and security lies.

The blunt fact is this: Everybody gains from improvements in efficiency and productivity. Our North American combination of men, money and constantly improving machinery has given us a standard of living fantastically high by the standards of the rest of the world.

There is no profit for anyone in attempts to turn back the industrial clock. The Luddites of the early 1800s believed industrialization would worsen the plight of workers. Where would we be today if they had gone on breaking machinery?

Union leaders would be well-advised to turn an ear to the murmuring of public opinion. The tremendous power and legal immunities which they have been able to build up comes from the public. It stemmed, as one expert in labor matters put it, from an uncritical public indulgence based on the belief that labor's cause was always and invariably good and therefore the more power it had the better.

There is no longer this uncritical attitude now that in many areas labor's power is a monopoly. Labor, if it is obstructionist about progress, will get little public support.

MILLIONS AT STAKE

Home Incinerator Battle Gets Hot

Hundreds of cities and companies have a stake in the coming Toronto fight. Air pollution experts and gas men buckle down to the fray . . .

By DAVID FRANCIS

Battle between natural gas companies and air pollution authorities over gas-fired domestic incinerators is getting hot.

At stake:

- **Millions of dollars** in sales of home garbage incinerators and gas.
- **Cleaner** air in Canadian cities.
- **Present garbage collection** and disposal procedures.

At least two Ontario firms are ready to leap into the market with domestic gas-fired incinerators.

Union Gas Co. of Canada serves more than 1,000 domestic installations in southwestern Ontario and is actively encouraging their sale and manufacture.

Consumers' Gas Co., serving Toronto and southern Ontario, is interested but not planning any promotion.

First shot in the fight was fired when pollution authorities got worried over a Saskatoon move virtually making domestic gas incinerators mandatory (**FP**, June 27).

Gas interests have struck back, claiming that recent developments in domestic gas incineration "will in all likelihood contribute to the elimination of air pollution rather than aggravating that problem".

"Certainly if this were not the case," stated O. E. Zwanzig, general sales manager of the **B. C. Electric Co.**, Vancouver, "our company would not be seriously looking into the sales potential of this appliance."

B. C. Electric, Mr. Zwanzig reported, tested six gas incinerators of the "smokeless odorless type" for over a year in Vancouver homes.

"It was found that not only were they extremely convenient to the home owner, and particularly the housewife, but also that their atmospheric discharge is considerably less than most contemporary municipal garbage incinerators."

"Also, it is incorrect to assume that householders will re-

(Continued on page 9, col. 2)

Wake Up Sitting, Mattress Does It

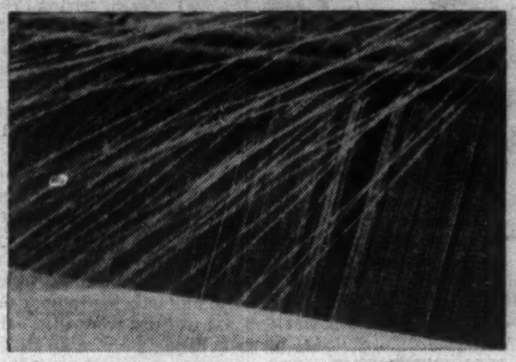
Have trouble getting up in the morning?

A mattress-box spring combination that awakens the sleeper by raising him to a sitting position is now being produced by **Simmons Co.** in New York.

The mattress is connected to a combined clock and radio which is set for the required time in the morning, the sleeper being raised "gently but decisively" when the radio is automatically switched on by the clock.

Big question: What happens if you sleep on your stomach?

Inside



How Much Strength in Textiles?

There are signs that Canada's textile industry is making its first real comeback since 1951-52. What will it mean? FP feature report .... pp. 23-33.

Saskatchewan Bids for U. S. Capital

Here's how a two-man team is striving to create a favorable climate for international trading in securities .... p. 19.

Mr. Hutchison and Mr. Fowler

Two well-known Canadians disagree in print. The topic: Our combines legislation .... p. 44.

The Outlook

Pointers Say Our Recovery On Flood Tide

An FP roundup of the latest facts and expert opinion on the economic weather ahead . . .

BY DALTON ROBERTSON

Higher retail sales, rising industrial production and an increasingly healthy employment situation, are providing full evidence that the Canadian economy is firmly caught up in the floodtide of recovery:

- **Estimates place May retail sales 6%-7% higher** than a year earlier, discounting seasonal influences. This year-to-year gain will be about the same as that of a month before, and both are considerably bigger than those made in the first quarter of this year.

Latest indication of the consumer's buoyant buying mood: Department store executives report their June sales ran 9% above year-before totals.

- **Output during May from Canada's factories and mines was slightly higher** than in April and ran almost 8% above levels of a year earlier when total output had already climbed some 3% from the recession-time bottom.
- **Employment by the middle of June reached a new record** — 6,053,000 Canadians were job holders. This was a 201,000 gain in a month, the largest since August 1957. It brought the total some 174,000 above year-before levels. There were big jumps in employment in transportation, trade and personal services—all three of which had been lagging.

Job seekers at 234,000 were 100,000 fewer than in May and 90,000 fewer than a year earlier. Only 3.7% of the labor force was unemployed as against 5.4% a month before and 5.2% a year earlier.

• • •

Guarantees for continued expansion appeared a day or so ago when Ottawa released details of its mid-year review of capital spending plans. The upward revision from 1959 estimates made six months ago — some $224 million or 2.7% — was even greater than predicted recently by Trade Minister Churchill.

Now expected to total over $8,545 million, spending by business and by governments on new facilities will be $128 million higher than in 1958.

For the economy, the real significance of the higher total spending lies in the fact that all of it takes place in the private

(Continued on page 8, col. 3)

U.S. Firms Copy Canadian 'Smoke'

The cigarette with holes in it gets world-wide attention . . .

A new Canadian cigarette has puffed up international interest among smokes blokes.

The cigarette: Rembrandt, which "breathes" through tiny holes in its paper wrapper.

Seven U. S. cigarette brands have snapped up the perforated paper idea, and the Canadian company is jockeying to protect its rights.

Rembrandt Tobacco Corp., Toronto bought a full-page advertisement in a New York newspaper to claim a "first" in cigarettes.

The advertisement, Rembrandt hopes, will protect the trade-mark "MultiVent", and patent rights for the cigarette paper.

Rembrandt Tobacco is a sister company of **Rothmans of Pall Mall Canada Ltd.**, Toronto, in a world-wide group.

A Rembrandt spokesman said he doubted the U. S. firms could be stopped from using Rembrandt advertising slogans.

"We are rather flattered that cigarettes like Salem and Alpine have followed us," he said.

However, Rembrandt expects the advertisement to stop other Canadian cigarette manufacturers from imitating Rembrandt slogans and then claiming these were picked up in the U. S.

Meanwhile, Rembrandt is taking an interested look at the gigantic U. S. market and is keeping a foot in the door with limited sales in New York City.

The new cigarette was first marketed in April in the Toronto area by the newly-formed sister company of Rothmans.

Sales have been so successful that Rembrandt plans to market the cigarettes across the country as soon as production hits stride.

The multi-vented paper is being provided to the world-wide Rembrandt-Rothman group of tobacco manufacturers.

The new type of cigarette is being sold or about to be sold in the U. K., Australia, New Zealand, South Africa and Germany.

The paper is turned out by three machines at the large Toronto plant of Rothmans.

More equipment has been ordered.

Rothmans entered the Canadian cigarette market two years ago.

"In those two years we have secured a bigger share of the total market than any other firm has achieved in 10 years," the firm spokesman said.

Brands sold include Black Cat, Sportsman, Craven A, Rothmans, and now Rembrandt.

Top Execs Invented 'Breather'

Who invented the cigarette that "breathes"?

Two senior executives of the world-wide **Rembrandt - Rothman** group of cigarette manufacturing companies claim the "first":

- **J. P. Rupert**, acting president of **Rothmans of Pall Mall Canada Ltd.**, Toronto, and brother of Anton Rupert, head of the international group.
- **Patrick O'Neil-Dunne**, world technical director of the group, now living in Toronto.

Secret of the new cigarette is a "Multi-Vent" paper of "high porosity".

The paper is being used as one answer to the cancer scare.

It was dreamed up by the two men last winter, tested with hand-rolled cigarettes and put into production this spring.

Countless microscopic holes in the paper permit more air to reach the tobacco, combustion is more complete and the amount of harmful tars entering the smoker's lungs reduced, the company claims.

These tiny perforations are produced in ordinary cigarette paper by a patented embossing process.

Wastage of paper in the process is so high that Rembrandt is charging an extra 1c for a package of 20 cigarettes. Price: 37c in Toronto.

Retailers Better Watch Health Gimmicks Trend

Special Correspondence

ATLANTIC CITY, N.J. — Look for a big campaign to put health units in the home.

Obviously impressed by the success of the many health clubs springing up everywhere, electrical housewares manufacturers have decided the gadgets used in the health clubs can be used equally as well at home.

There was heavy emphasis on this type of merchandise at the recent national housewares exhibit here.

One manufacturer of electric broilers and rotisseries introduced a few health items in his line a year ago.

He said response has been tremendous and that many U. S. department stores are setting up health centres, either in the housewares or sporting goods departments.

This firm now shows such item as a rotocycle, described as "a stationary motorized bicycle", a massage-a-belt, a massage and heating table, a massage-a-chair.

Another manufacturer, known better for electric steam irons, showed a variety of thermal massagers — vibrator units which can be placed on an ordinary chair.

Another firm which specializes in making fruit juicers and food mixers showed foot massagers, massage pillows and other types of massage units including a "massaget", described as "specially crafted for women . . . packaged in red simulated alligator travel case."

Also shown in the health unit category: Electric vaporizers, all types of heating pads in attractive prints and colors.

The switch to health units is typical of the continual quest of housewares manufacturers to provide retailers with something new to promote.

Because they are relatively low in price, electrical housewares have been footballed mercilessly by discount houses and supermarkets, and used frequently as premiums.

Manufacturers have had to dig around for new products with the hope that the new items bring retailers at least a year or two of normal markup before the discounters get at them.

Or existing items are improved in performance, appearance and packaging to make them more salable.

For example, the electric can opener, introduced two years ago, turned up this year at the housewares exhibit as a combination can opener-clock-timer.

One firm showed a hair dryer which comes with an adjustable belt and 8-ft. cord.

The idea is that milady hooks the dryer (weight 3½ lb.) on to the belt and can go about her household duties while drying her hair.

It's Here: Labor Wants 36-hr. Week

MONTREAL (Staff) — Demands for a 36-hr. work-week have been voiced by Canadian labor.

Quebec's Canadian & Catholic Confederation of Labor is backing a 36-hr. week for its pulp and paper members.

This was decided at the annual meeting of the National Federation of Pulp & Paper Workers at Quebec City this week.

The meeting, attended by delegates representing some 7,200 workers in the province, voted heavily for the resolution. Some members discussed state control of the industry to assure a guaranteed annual wage.

Industry observers see the shorter work-week as part of a general labor trend in the pulp and paper industry.

It could be an indication of the type of demands pulp and paper mills will receive across the country next year when most contracts come due for renegotiation.

Average weekly hours of pulp and paper mill workers in Canada in March of this year, as reported by DBS, were 40.8.

By provinces in the same period: Newfoundland, 43.2; New Brunswick, 39.9; Quebec, 41.6; Ontario, 40.2; British Columbia, 38.9.

Averages for other industries in the same month: manufacturing, 40.3; mining, 41.7; electric and motor transportation, 44.2; service industries, 39.3; construction, 37.7.

Steinberg's Signing Up Little Guys

By CLIVE BAXTER

MONTREAL (Staff) — The supermarket war may soon spread to the corner store.

Volatile **Steinberg's Ltd.** is making an experimental move into the independent grocery field.

The fast-expanding Montreal company is offering the 80 outlets serviced by **Ottawa Fruit Supply Ltd.** a complete promotional and warehousing service.

The aim: To bring them up to the standards of the supermarket chains.

If the experiment pays off, **FP** understands, Steinberg's plans to extend it to Montreal and later all its main market areas. For a fee, independents would be able to buy the Steinberg's service.

The move promises to spark a fresh round of battle in the al-

(Continued on page 9, col. 4)

Signs & Portents

START PLANNING now to get your share of business from our $60 million nuclear power station (**FP**, June 27). In perhaps only 18 months, AECL and Ontario Hydro will start spending millions on building and equipment.

• • •

MORE BRONZE in new buildings. That's the prediction of a metals company. Some architects are "tired of white metals". Several new Toronto buildings have bronze window frames, flashing, door frames and railings.

• • •

NEW JOB for lead? Watch experiments using the heavy metal as a low-cost coating for steel in tin cans. Lead-lined cans wouldn't be used for food.

• • •

SILK STOCKINGS still sell. Who wears them? Silk importer says some older women prefer the more expensive silks to nylons because they "breathe" better and don't irritate. In 1957, Canada produced 11,550 doz. silks. Total hosiery output same year: 2,040,538 doz.

• • •

LOOK FOR heavier sales pressure on business executives by the Canadian Gas Association. Gas men want more industrial and commercial markets. Example: CGA will spend $150,000 on national advertising this year, almost double last year's $82,000.

• • •

WATCH FOR the spread of prepaid prescription plans across Canada. A scheme initiated in Windsor is said to be "working out well" and may soon be adopted elsewhere. For a premium, Prescription Services Inc. pays for all drugs and medicines (with exceptions) prescribed by a physician and dispensed by a member pharmacy.

• • •

REVIVAL OF INTEREST in Canadian beryl deposits may be sparked by construction of world's largest beryllium producing plant in England.

Manitoba's Rye-Wheat Giant Step in Grain?

From Our Own Correspondent

WINNIPEG — The cross of a Durum wheat variety with rye by plant scientists at the University of Manitoba has produced a new grain which could revolutionize the agricultural industry.

- **It may be a rye or a wheat.**
- **It may be a soft grain or a hard one.**
- **It could have flour milling qualities** and lacking these it could have important nutrition value for animal and poultry food.

These are things still to be determined.

Its 1959 yield will be enough to start the exacting investigations to which it will be subjected. Nutrition tests will be started this year.

If appearance and habits of growth are an accurate gauge, the new grain may have a terrific potential.

Its bearded grain head is close to twice as long and large as Selkirk, the dominant bread wheat variety on Prairie farms.

The plant has tremendous vegetative vigor — it grows to heights of between 5 ft. and 6 ft., has a strong straw, and is robust in texture and color.

In yield, plant researchers say, they wouldn't be surprised at 60 bu. to the acre.

With the caution of men of science, they hazard no forecasts, because its value is still to be proved by trial and test.

Even if these should be disappointing, the new grain can

(Continued on page 8, col. 5)

CANADA'S FIRST BANK

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BANK OF MONTREAL
WORKING WITH CANADIANS IN EVERY WALK OF LIFE SINCE 1817

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Modern units of all types available at substantial savings.
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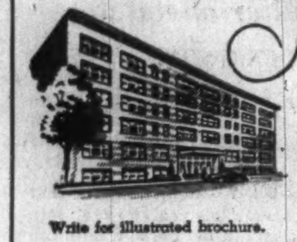

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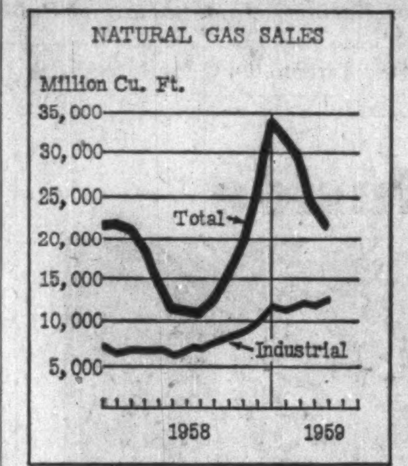
Trend of Business

Natural gas sales rose 48.2% in May to 21,638 million cu. ft., from 14,604 million cu. ft. in like month last year. Month's total was 11.8% below 25,540 million cu. ft. in April, due mainly to reduced consumption for heating purposes. Industrial sales show the greatest gain, rising 76.4% in May to 12,450 million cu. ft. from 7,056 million cu. ft. a year earlier and 5.8% above previous month's 11,770 million cu. ft.



Industrial production expansion hesitated slightly in May with DBS seasonally adjusted index (1949=100) at 164.4 vs. 165.2 in April, but 6.5% above 154.4 in May last year. Durable manufacturing index declined 2% and electric power and gas utilities were off slightly. Mining and non-durable manufacturing showed small gains over previous month.

Retail sales still rising. Value of goods sold by Canadian retailers (unadjusted for seasonal variation) amounted to $1,438 million in May, up 2.9% from last year's like total of $1,398 million. Month's sales were up 3.3% in the Maritimes, 3.4% in Quebec, 3.7% in Ontario, 4.9% in Manitoba and 1.8% in British Columbia, but down 0.9% in Saskatchewan and 0.3% in Alberta.

May increases for the trades ranged from 10.1% for motor vehicle dealers and 9.8% for shoe stores to 1.8% for furniture, radio and appliance stores and 0.8% for grocery and combination stores. Decreases were between 2.2% for fuel dealers and 0.1% for other food and beverage stores.

Department stores show 9.9% gain in June sales over last year's like month. Increases were reported by all regions: Manitoba, 17.7%; Ontario and British Columbia, 10.5% each; Saskatchewan, 10.1%; Alberta, 8.7%; Quebec, 6.9%; and Maritimes, 3.8%.

Canada's wheat getting smaller share of world market. Total wheat and wheat flour shipments by four major exporting countries in first 10 months (August-May) of current Canadian crop year rose 8% to 761.6 million bu. from 707.5 million bu. a year ago. Canada's share dropped to 243.5 million bu. from 263.7 million last year, while greater exports were reported by the U. S., 371.2 (327.1); Argentina, 85.4 (63.4); and Australia, 61.6 (53.3).

Major Weekly Indicators

	Latest Date or Week Ended		Previous Week	Previous Month	Year Ago
Department store sales, % change from year earlier	(July 11)	+7.9%	+8.9%	+2.9%	+6.6%
Carloading totals	(July 7)	71,945	*114,005	83,032	68,677
Eastern Canada	(July 7)	48,208	*74,012	54,000	45,219
Western Canada	(July 7)	23,737	*39,993	29,032	23,458
Iron and steel mfg.	(July 7)	1,083	*1,823	1,316	1,051
Ores, concentrates	(July 7)	11,204	*15,995	11,485	8,672
Base metals	(July 7)	573	*810	790	570
Lumber, timber, plywood	(July 7)	4,786	*7,935	5,697	3,927
Cement	(July 7)	712	*1,272	901	739
Passenger car production	(July 18)	7,885	7,963	8,519	6,778
Truck production	(July 18)	1,698	1,808	2,110	1,410
Chartered Banks					
Personal savings .. ($ millions)	(July 8)	7,148	7,167	7,123	6,714
Loans outstanding. ($ millions)	(July 8)	6,097	5,989	5,982	5,195
NHA mtge. holdings ($ millions)	(July 8)	867	864	849	644
Bank of Canada holdings of					
Securities ($ millions)	(July 15)	2,711	2,701	2,684	2,638
Short-term govt. ($ millions)	(July 15)	450	438	386	1,520
Long-term govt. ($ millions)	(July 15)	2,192	2,194	2,229	1,055
Other securities ($ millions)	(July 15)	13	13	13	16
Bank Clearings:					
Montreal ($ millions)	(July 17)	1,020	1,080	944	739
Toronto ($ millions)	(July 17)	1,331	1,595	1,297	1,000
Cdn. dollar (U.S. cents av.)	(July 21)	104.343	104.500	104.309	104.207
T.S.E. industrial index	(July 21)	551.33	551.81	530.16	460.98
Yield 114 stocks	(July 20)	3.98%	3.98%	4.04%	4.59%
Bus. fail. 4-wk. moving av. (no.)	(July 9)	20.5	22.8	28.0	25.5
Steel ingot production (tons)	(July 11)	111,592	91,640	101,746	87,433
% capacity	(July 11)	91.9%	75.5%	83.8%	76.9%

*Nine-day end-of-month period.

Facts by the Month

WHAT WE PRODUCE—	Latest Month		One Month Previous	Two Months Previous	One Year Previous
aIn all Industries (Index)	May	165.2	161.9	159.4	155.0
aIn factories (Index)	May	150.6	146.3	143.1	142.2
aTotal nondurable goods (Index)	May	148.4	144.4	141.8	139.1
Food & bev.	Apr.	133.6	126.4	120.1	125.6
Textiles	Apr.	129.4	128.2	130.8	106.2
Clothing	Apr.	116.0	123.5	121.5	110.1
Chemical products	Apr.	187.0	175.2	182.8	185.9
aTotal durable goods (Index)	May	152.3	148.6	144.6	145.9
Iron & steel products	Apr.	138.2	133.3	130.6	124.2
Primary iron & steel	Apr.	168.0	150.7	147.3	136.9
aFrom mines (Index)	May	241.7	237.1	237.4	225.7
Metals	Apr.	198.5	189.9	187.4	186.5
Nonferrous smelting, refining	Apr.	149.9	146.0	133.3	153.7
Gold	Apr.	109.5	109.7	112.8	111.2
—From farms					
aCattle delivered (000)	Apr.	134	147	116	130
aHogs graded (000)	Apr.	688	642	618	430
Grain mill products (Index)	Apr.	132.6	131.4	131.4	127.3
—From sea					
East Coast catch ($000)	May	6,765	4,038	1,777	6,827
W. Coast catch ($000)	May	2,321	738	670	2,293
—From forests					
aNewsprint (000 tons)	June	534	551	535	482
Pulp (000 tons)	May	923	892	853	905
—In powerhouses					
Electricity (million kwh.)	May	8,736	8,617	8,813	7,966
WHAT WE SELL—					
aRetail sales ($ millions)	May	1,438	1,352	1,243	1,398
Dept. store sales ($ millions)	Apr.	107.9	101.2	86.0	104.3
Wholesale sales ($ millions)	Apr.	713	706	617	627
Mfrs. outstg. orders ($ millions)	Apr.	2,069	2,082	2,088	2,376
Pass. car sales (units)	Apr.	50,077	41,102	31,270	43,063
WHAT'S ON HAND—					
Mfrs. inventories ($ millions)	May	4,406	4,416	4,428	4,481
Dept. store stock sales ratio	Apr.	2.8	2.8	3.1	2.8
SPENDING, SAVING POWER—					
Labor income ($ millions)	Apr.	1,395	1,371	1,361	1,304
Dividend payts. (Index) (annual rate)	June	300.3	298.3	301.8	310.2
JOBS—					
aPersons with jobs (000)	June	6,053	5,852	5,664	5,794
aJobless seeking work (000)	June	234	334	445	320
aDo. (% of labor force)	June	3.7	5.4	7.3	5.2
CONSTRUCTION—					
Contract awards ($ millions)	June	327	356	193	388
FOREIGN TRADE—					
Exports ($ millions)	May	435	405	383	484
Imports ($ millions)	May	516	536	441	485
MONEY—					
Money supply ($ millions)*	Mar.	12,777	12,718	12,748	11,830
Cheques cashed ($ millions)	May	20,820	21,423	20,262	20,807
Life insurance sales ($ millions)	Apr	548	493	506	553
Notice deposits ($ millions)	May	7,746	7,787	7,721	7,083
Current public loans ($ millions)	May	5,952	5,876	5,580	5,244

*Total deposits, less Govt. of Canada deposits, less float, plus notes in circulation outside the banking system.

PRICES—	Latest Month		One Month Previous	Two Months Previous	One Year Previous
Consumer price (Index)	June	125.9	125.6	125.4	123.1
Wholesale prices (Index)	June	230.7	231.2	231.3	227.6

STRATEGIC MATERIALS—Production and Supply—	Latest Month		Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	May	489	413	2,391.5	+18.6
Nickel (000 tons)	Apr.	15.5	14.9	51.1	−19.9
Primary copper (000 tons)	Apr.	32.0	32.4	117.1	−10.2
aLumber exports (millions fbm.)	Apr.	390	297	1,306.3	+21.2
aLumber (millions fbm.)	Apr.	540	473	2,398.8	+7.7

aNew item this week.
Index based: production 1949=100; consumer price index 1949=100; wholesale price index 1935-39=100.

Data of issue for your file, The Financial Post, July 25, 1959.

Look For It Here

July 25, 1959

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HARDEE FARMS INTERNATIONAL LTD. has offered rights to common shareholders, record July 9, to buy one additional common share at $11 for each 5 shares held. Rights expire 4 p.m., July 29.

Plan Fall Start On Homes, Stores In Bramalea City

First residential neighborhood in the Bramalea satellite city development in Peel County north of Malton, Ont., will be opened in September (**FP**, Nov. 1, 1958).

Construction of the first 20,000 sq. ft. of shopping centre facilities will start in the fall with stores open for business early in 1960.

Fully-serviced sites in a 230-acre industrial park will be available in August, Gerald H. Galbreath, Jr., manager of the 5,000-acre project, said.

Armstrong Bros., general contractor, and four builders, **V. V. DeMarco Properties Ltd., Sylvan Construction Co., Westbury Homes** and **Bren-Bar-Kay Construction Co.**, are active in the development.

Schedule calls for completion of 300 homes in the $12,000-$16,000 class and installation of all services including water mains and sanitary sewer systems.

A feature will be rear lot hydro and telephone services with hydro cables for power and street lighting running underground.

CANADIAN BREWERIES LTD. in June converted 12,545 $1.25 cumulative convertible preferred shares to common on one-for-one basis. Outstanding—188,614 preferred and 3,318,989 common shares.

ANNOUNCEMENT

SUN LIFE APPOINTMENT

F. K. DOODY

The appointment of F. K. Doody as Assistant Vice-President, Investments, has been announced by the Sun Life Assurance Company of Canada. Mr. Doody, who joined the Sun Life in Montreal in 1925, succeeds G. Robley Mackay who has retired under pension regulations. From 1950 to 1956 Mr. Doody was the Company's Resident Treasurer in London, England, and on returning to Montreal became Associate Treasurer at Head Office.

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'My Mixture' #965

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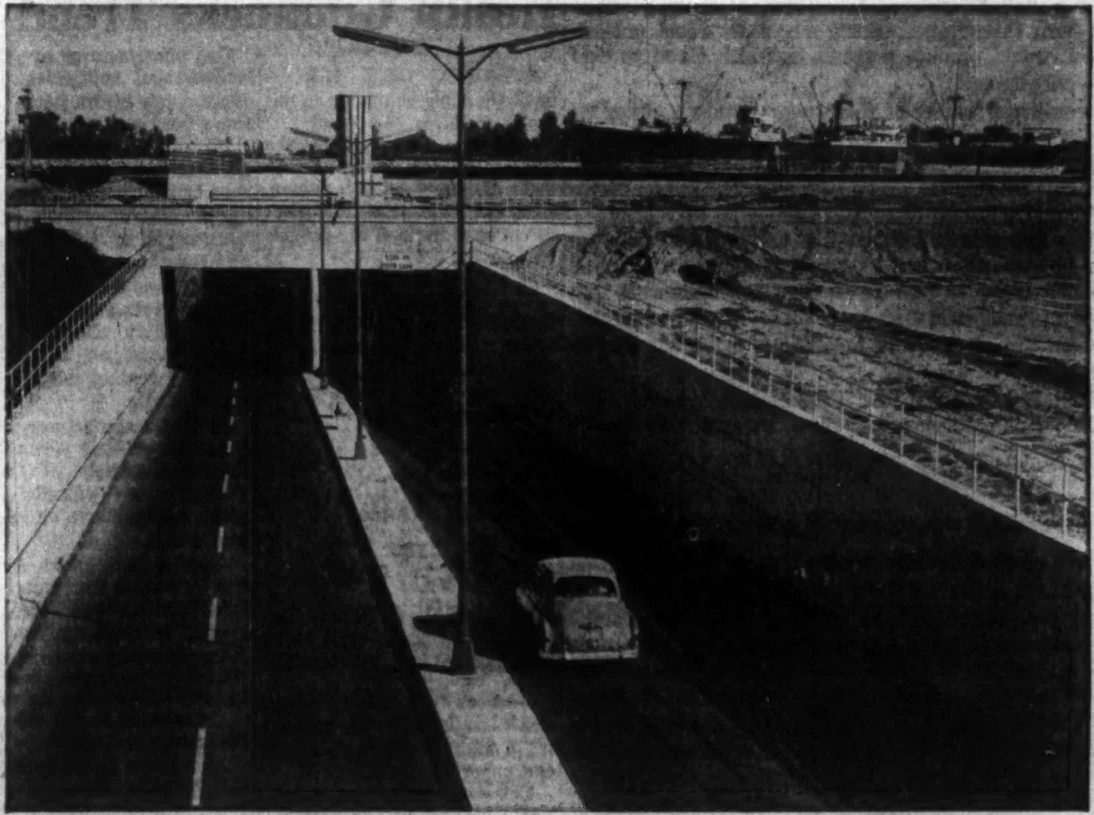
REPORT TO THE PUBLIC



Now completed and in use...

DEAS ISLAND TUNNEL

THE OBJECTIVE: Foundation of Canada Engineering Corporation (FENCO) and Christiani & Nielsen (Copenhagen) teamed with British Columbia Highways Department to construct Deas Island Tunnel capable of handling 7,000 vehicles an hour . . . the first one of its type built in North America.

THE PROBLEM was a river . . . no ordinary river but the Fraser! Here is a conflict of tides, river currents and constantly changing river bottom.

THE SOLUTION TO THE PROBLEM proved to be an unusual type of tunnel. The tunnel was pre-fabricated in a dry-dock, towed to position, placed in a trench in the river bed, and assembled underwater. Tunnel is secured on deep silt at the bottom of the Fraser.

FOUNDATION OF CANADA ENGINEERING CORPORATION LIMITED

ONE OF THE FOUNDATION GROUP OF COMPANIES

Big Cut in Rates For Car Insurance

There's a whopping 20% slash in your car insurance rates if you qualify as A1 select driver . . .

MONTREAL (Staff) — The nation's "blue ribbon" drivers can expect a big drop in passenger automobile insurance premiums on policies issued after Sept. 1.

This week Canadian Underwriters' Association announced its member auto-insurers will **offer a 20% discount on normal premiums to motorists** who, because of their driving records and relatively restricted exposure to accident danger, can qualify for the new A1 select rating category.

A1 select is a further subdivision of the present A1 category which applies to motorists with three years of accident free driving.

The A1 class drivers already enjoy discounts up to 35% off standard rates. The new 20% discount is based on the A1 premium and is in addition to discounts already enjoyed by drivers in this class.

Qualifications for membership in the A1 select category are tough. The discount applies to class A1 insureds who:

- Have been driving for five years without an accident.
- Don't drive their cars more than 10,000 mi. per year.
- Don't use their cars for business or driving to and from work.
- Have no male driver under 25 in the household and not more than two drivers of the vehicle.

Industry officials estimate that probably one fifth of the nation's present A1 class drivers will qualify for the new category.

It is further estimated that 50% to 60% of the country's insured passenger car drivers are now in A1.

While the premium discount applies only in the case of policies issued by CUA member insurers, the Board Underwriters, it is expected that non-Board companies will follow suit with a similar cut.

Establishment of the new A1 select class, according to some industry observers, **reflects increasing grumbling on the part of the motoring public over the continual rising cost of auto insurance.**

"I drive year in year out without an accident and yet my rates keep going up", is a familiar complaint of many drivers who maintain careful drivers are being penalized for the carelessness of the poor ones.

Insurers, on the other hand, note that cost of automobile claims is continually rising. Not only are there more accidents but cost per accident is increasing due to higher labor rates and fancier, more chrome-laden cars.

One industry official notes, court awards in the case of death or injury are becoming increasingly liberal. In addition there's the tendency by many garages and claimants alike to "pad" the bill if insurance is involved.

"The Class A1 select rating is another in the series of steps by Board companies over the last several years to keep the price of automobile insurance directly in line with the risks involved," says W. W. Owen, general manager of the CUA.

"We now have 21 different classifications for private passenger cars all intended to provide that the person least likely to have an accident will pay the lowest rate," he adds.

In 1952 insurers introduced a plan whereby drivers with three year no-accident records were given discounts off standard rates. Subsequently lesser discounts were established for two-year and one-year accident free records.

While the new A1 select rating category will undoubtedly be greeted with a sigh of relief by many car owners, it's not likely to go over well with under 25s.

Come Sept. 1, junior may well have to look elsewhere for transportation for his Saturday night date—that is unless father is willing to forego the new premium discount on the family car.

The New Rates

Comparative insurance costs for a typical medium priced big-three car in various Canadian centres. Coverage is $10,000/$20,000/$5,000 property damage and public liability and $100 deductible collision insurance.

	Accident within The Year	Three Years Accident Free	A1 Select
		$	
Halifax	151	98	78.40
Montreal	196	127	101.60
Toronto	100	65	52
Winnipeg	80	51	40.80
Vancouver ...	122	80	64

100 Million bu. on Farms As Wheat Crop-Year Ends

From Our Own Correspondent

WINNIPEG — The 1958-59 crop year will end July 31 with upwards of 100 million bu. of wheat on western farms.

The July 17 estimate was 115 million bu. — lowest since end of the 1952-53 year but still well above what was estimated four months ago (**FP**, May 2)

The Canadian Wheat Board had two targets: Exports of 300 million bu., and marketings by producers at about the same level as last year.

Neither was reached.

Exports by end of the year will have been about 290 million bu. Total of all grains marketed will be about 50 million bu. less than the 575 million bu. marketed in 1957-58.

Country elevator space is practically filled.

Their working capacity is 310 million bu. At July 8 there was 290 million bu. in store.

On top of this there is the 1959 crop to come, not a record one but likely to be a big one if conditions hold reasonably favorable the next three weeks.

Biggest concentration of farm carry-over grain is in western Saskatchewan and eastern Alberta.

As the crop entered its critical stage in Saskatchewan crop prospects were reported above average in all parts of the province except for an area from the Regina-Moose Jaw-Swift Current line south to the international boundary.

In this area the drought has been broken but the crop suffered some permanent harm before the rains came.

But for conditions not foreseen, the present year might have been much better for marketings.

The difficulties:

- **Closing of Pacific ports** for a period last fall because of a strike.
- **Since opening of navigation,** grain movements out of Port Arthur and Fort William have been down partly due to delays and new ship schedules following opening of Seaway. Up to July 14 shipments of all grains totaled 105 million bu. compared to 160 million bu. at the same date last year.
- **A decrease in grain exports to the U. S.,** because of shortage of low grade wheat in Canada and also because the U. S. has big surpluses of feed grain.
- **Apart from wheat** there was little export demand for oats for which U. S. is the natural market.
- **Barley exports** although still substantial have been down. In the last three months the board has faced terrific U. S. competition in barley.

Dom. Engineering Wins $10 Million U.S. Job

This world's largest export order for turbines means lots of work at Lachine plant . . .

MONTREAL (Staff) — A $10 million U. S. turbine order has started things humming at **Dominion Engineering** works plant at Lachine, Que.

It is the largest export order for turbines ever placed anywhere in the world, according to company officials.

The 10 Kaplan-type hydraulic turbines will be installed, under direction of a Dominion Engineering erection supervisor, in the Wanapum development on the Columbia River in Washington State.

The order is the result of Washington's new liberal policy on imports of heavy electric power equipment (**FP**, Jan. 31).

Design work on the new turbines already has started at Lachine and the company, controlled by **Dominion Bridge Co.,** expects soon to re-hire some laid-off workers. Working force, **FP** understands, is down around 2,000.

To fill the turbine order and recently obtained orders for rolling mill machinery, **this force likely will be brought up to 3,000.**

Delivery of the first turbine is due in 12 mo., the last in about 3 yr. Each turbine will have rated capacity of 120,000 hp. when operating under 80 ft. head at 85.7 rpm. They are among the largest Kaplan-type units in the world.

Wanapum is Dominion's debut into the U. S. hydraulic turbine market. Order was the result of an aggressive sales campaign by **Dominion Engineering Co.,** a wholly owned marketing organization.

General construction bids for Wanapum included supply and installation of turbines and generators.

Two months prior to bid date, Dominion decided to submit a tender for the turbines. In 30 days company had to decide on design, make cost estimates and sell their proposal to each group of general contracting firms bidding on the project.

Success was emphasized in the fact that all five general contracting bidders included Dominion turbines in their main or alternative bid or both.

Big competition was European, **FP** understands.

Dominion Engineering will place subcontracts in the U. S., buying perhaps as much as $4 million worth of parts from manufacturers in the Western States.

Even taking into account the 20% duty on Canadian components, company was able to meet U. S. competition.

The Wanapum development, owned by Public Utility District No. 2 of Grant County, Wash., is 415 mi. above the mouth of the Columbia River.

Project's potential output of 1,920,000 hp.—that's for the ten now on order and six planned units—is to be integrated with the Northwest Power Pool.

Dominion ranks fourth among world hydraulic turbine manufacturers in total installed capacity. In Canada 46% of installed hydro-electric capacity has been manufactured by the company.

Foreign installations include Brazil, Russia, Ceylon, Pakistan and New Zealand. Additional orders are now being filled for New Zealand and India.

An earlier big U. S. order (**FP**, May 16) went to **John Inglis Co.** Toronto — $6.5 million to supply eight 90,000 hp hydraulic turbines for the Big Bend Dam on the Missouri River, South Dakota.

Refiners Cut Sugar Price To Meet Keen Competition

By P. T. DURRANT

Keen competition in the domestic sugar refinery industry is forcing Canadian refiners to sell their raw sugar below the wholesale list price.

But it doesn't seem likely there will be any appreciable reductions in the price of sugar for domestic consumption or in the prices of jams, candies, etc.

W. J. McGregor, president of **Canada & Dominion Sugar Co.,** said in the company's recently issued annual report:

"Our company has been forced to meet even more drastic price cutting in recent weeks in order to obtain satisfactory sales value. Consequently the outlook for earnings is uncertain while such conditions prevail."

Canada & Dominion reported net profit of $1,737,087 for year ended March 31, 1959, slightly below $1,739,776 the year before.

The price of raw sugar has dropped from $3.85 per cwt. (f.a.s. Cuba) early in 1958 and $3.40 in January, 1959, to its recent level of $2.75 per cwt.

In the same period, the Canadian wholesale price has fallen from around $8 to $7.38 and recently the $7.10 level, while the retail price has declined from 11.4c lb. to 10c and recently to 8.4c.

Refiners, who were hard pressed to avoid trading losses in this period as a result of having to commit raw sugar purchases several months in advance of actual delivery, now seem to be faced with an oversupply of sugar.

Suppliers report that sugar is moving well, but there is no evidence of stockpiling. Apparently, neither buyers nor sellers are looking for an early upturn in the market and they do not feel the need to stock up in anticipation of higher prices.

The extreme volatility of raw sugar markets makes any forecast of future price levels highly problematical, industry spokesmen say.

The market was recently unsettled by a report that the Cuban Sugar Institute would underwrite sales of sugar by the Export Bank, **Bache & Co.** reports in its weekly commodity summary.

However, a potential explosive political situation appears to be developing, Bache says.

About half of the sugar sold in Canada goes to the food industries — confectioners, jam, candy and soft drink makers, etc. The other half is used for domestic consumption.

Confectionery producers appear to be taking about normal quantities, judging from first quarter 1959 production figures, although sugar may be competing more successfully with other sweeteners at today's prices, industry observers say.

Bulk users in the food industry absorb price changes as far as possible. Sugar is generally only one of several ingredients subject to price fluctuations.

A drop in the price of one ingredient may be offset by an increase in another. Cost of the end product is therefore affected only slightly by day-to-day price changes.

Competition among retailers largely limits the extent of price changes for the domestic consumer.

Retailers are reluctant to raise their prices unless someone else makes the first move.

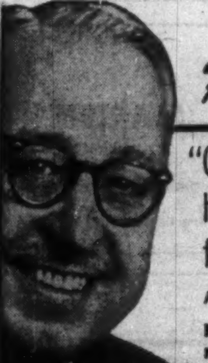
On the other hand, in view of the uncertainty of future market prices for sugar and the reductions that have been made at the retail level over the past 18 months, they may not feel that further cuts are justified.

Foreign Exchange Rates

Noon Value in Canada
Week Ended July 21, 1959

	U. S. $	U. K. £
Wed.	95 24/32	2.69 4/16
Thurs.	95 29/32	2.69 11/16
Fri.	95 29/32	2.69 11/16
Mon.	95 23/32	2.69 3/16
Tues.	95 29/32	2.69 11/16
Ave.	95 134/160	2.69 8/16

U. S. rate reported by Bank of Canada
U. K. bid rate reported by Toronto-Dominion Bank



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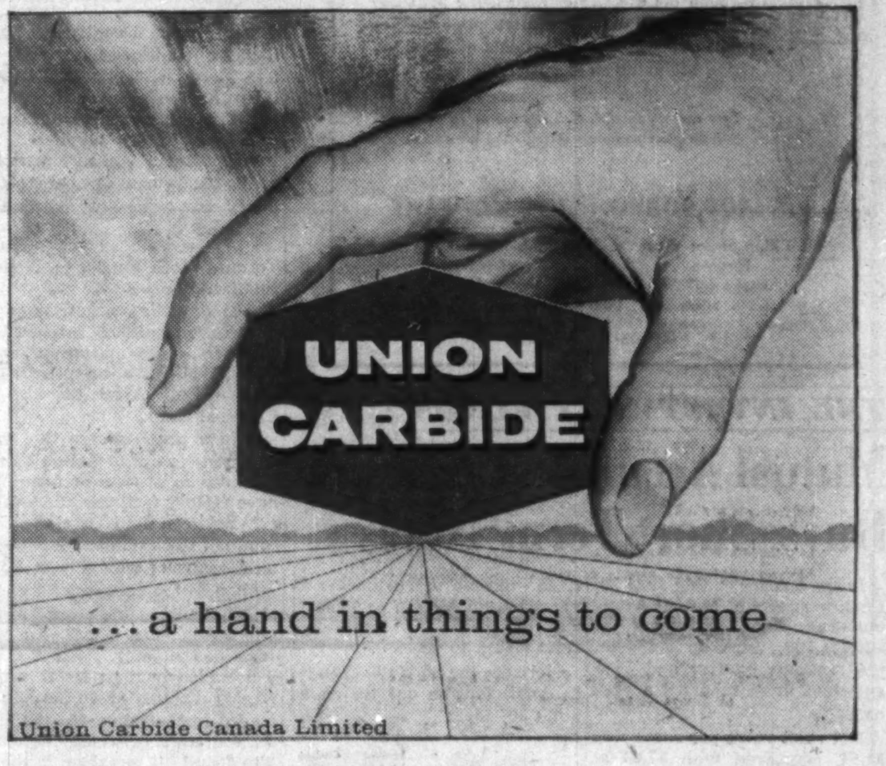

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for the answer to your metal problems

AIR COILS MFG. CO. LTD. did...

When heating and cooling coils were required for air conditioning units in the Navy's destroyer escorts, specifications were rigid.

For example, tubes had to have superior resistance to corrosion, particularly from salt brine. It was necessary to minimize the danger, through leakage, to vital electronic equipment. Every precaution had to be taken against the possibility of repairs in hard-to-reach, cramped quarters.

Air Coils Mfg. Co. Ltd. was awarded the contract. Anaconda supplied the chosen metal—cupro-nickel. In the photograph, Mr. E. G. Pullen (left) President, Air Coils Mfg. Co. Ltd., Mr. H. S. Litchfield (right) Vice President in charge of Design and Operations and Mr. W. C. Farrow (centre) Anaconda Sales Representative, examine blueprints for one of the installations.

Here is another example of how Anaconda co-operates with Canadian industry in the solution of production problems through the application of copper and its alloys.

ANACONDA PRODUCTS — CANADIAN AS THE MAPLE LEAF

ANACONDA*

*Trade Mark Reg'd

For general information on Anaconda Copper and Copper Alloys, write for publication B-32.

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Established 1875

The Bank has offered its shareholders of record on May 8, 1959 the right to subscribe for 1 new share at $40 per share for each 5 shares held. Warrants evidencing this right to subscribe for shares expire on August 7, 1959 and should be exercised before that date.

We recommend that present shareholders increase their holdings of the capital stock of this progressive Bank by subscribing for the additional shares to which they are entitled. For investors who are not now shareholders, we recommend that they strengthen and diversify their investment portfolio by acquiring Imperial Bank shares through the purchase and exercise of Rights.

To facilitate the payment for shares purchased through the exercise of Rights, the Bank has provided that the subscription price may be paid in 10 monthly instalments of $4.00 per share, beginning on August 7, 1959.

Your enquiry invited. Call our nearest office for a descriptive pamphlet giving complete details.

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Why They're Moving

Facts and comment on what's going on in the market and rumors behind some of the moves.

By RODNEY TOUCHE

Stock of Arcan Corp. dropped in one day this week from $7⅛ to $1.75, was suspended from trading the next day by the Toronto Stock Exchange and sold over-the-counter as low as $1.

The man behind Arcan is the British-born Phillip Owen, a former journalist, who operates through Eila Investments Ltd. and controls a number of mining companies, including **Consolidated Regcourt Mines.** (Stock of this company, in 1957, dropped from $1.89 to 15c, its current level.)

Owen acquired a large interest in Arcan through buying the stock on the market. Until December last year, it had not sold above 80c in three years. Owen acquired enough of the 530,000 shares outstanding to challenge the control of the company held by Robert A. Armstrong, a Toronto chartered accountant and partner of **Armstrong Browne & Co.**

Arcan Corp. at this time was a small company with a plant at Hamilton, Ont., for making ventilation and materials handling equipment. In partnership with Armstrong, Owen began advertising for companies with which to merge.

He also made plans with his Willowdale neighbor, Gerald Groship, then assistant general manager of Oshawa Wholesale Ltd., one of nine **IGA** depots in Canada and servicing 120 stores. Out of these plans came an arrangement whereby Arcan bought Oshawa Wholesale's nonfood interests for $272,773 and Gerald Groship left Oshawa Wholesale and became a director of Arcan.

At this point there were numerous rumors about Arcan's prospects. Visits by Arcan executives to companies that had answered the original advertisements were given unwarranted significance by many brokers.

Owen explained his plans to **FP** (April 18). He said that Arcan was "building up an organization to distribute to and service grocery stores, particularly IGA stores, with non-food items; and to acquire manufacturing and processing plants in both the non-food and food industries." He said that negotiations were in progress with 14 companies.

He also made this statement: "'The key to the service and distribution is a contract with Canadian IGA and another with Oshawa Wholesale Ltd. under which Arcan will service some 400 IGA stores with non-food items." And he added that a letter of intent had been received from IGA with regard to the contract.

The statement brought widespread complaint from some of IGA's other 1,100 suppliers. They wanted to know why Arcan was getting a contract when IGA's policy is to buy without contractual arrangements. IGA headquarters replied that its policy was not being changed and no contract had been signed (**FP**, May 30).

As recently as last month, in a statement filed with the Toronto Stock Exchange, Arcan said the contract "had not been finalized."

Meanwhile, negotiations with companies continued and Arcan acquired 60% interest in **Bon Ami Ltd.**, Montreal, making cleansers, waxes and sprays, and bought from **Ray Industries, Inc.**, Oxford, Mich., a company called **Charcoal Supply & Sales of Ontario Ltd.** Arcan has also bought certain assets of **Canadian Charcoal Corp.**

In a press release this month, Arcan reported that it had acquired control of **Kelton Ultrasonics Ltd.** (hi-fi equipment) and was also in process of forming a U. S. subsidiary which would have factory facilities at Cleveland, Ohio.

Between mid-December and mid-June this year, Arcan's common stock climbed from 65c to $8⅝. And during this period an offering of warrants at $4 was oversubscribed, bringing $1.1 million to the company's treasury.

Trading in the stock has followed an interesting pattern. It climbed in short bursts with wide fluctuation in price but it also remained virtually static at certain levels. From March 6 to April 6 it traded in the narrow range of $4 - $4.30, with an average weekly volume of 40,600 shares. From April 21 to May 21 it traded in the range $5 - $5¾, but mainly between $5¼ - $5½, with an average weekly volume of 40,300 shares. And from July 2 to July 17 it remained in the range $7⅛ - $7⅝ with an average turnover of 41,000 shares.

Investors have naturally been wondering how the price level could remain so static with such consistently large trading volumes. Inquiry among brokers showed that the buying and selling was confined mainly to two or three houses.

On Monday this week the pattern changed abruptly. Heavy selling originated in New York, brokers say, and all buying support crumbled. Short sellers were covering all the way down.

On the unlisted market mid-week, trading was mainly in the range of $1.50 - $1.80. Estimates of the company's asset value have been difficult to make since there have been no earnings statements on operations this year. Book value on the basis of the latest filing statement, excluding the charcoal operations and Kelton Ultrasonics, amounts to $1.60 per share. On the basis of later acquisitions, book value may be somewhat higher.

Not everyone got hurt in the decline.

The rise and fall of Arcan stock, for instance, provided an excellent opportunity for making money through the use of stock options. One investor's experience, told to **FP**, went like this:

"I paid $450 in April for a "call" option on 500 shares of Arcan at the then market price of $4.80 per share. The option gave me the right to buy this amount of stock at this price at any time within the next three months. Cost of the option amounted to 90c per share.

"I exercised my option in June with the stock at $7.25. This provided a net profit of $1.55 per share or $775. At this point it seemed clear that the stock would not remain at this level for three months, so I bought a "put" option on 500 shares for $600 or $1.20 per share. This gave me the right to sell at $7.25 per share at any time within the next three months.

"I exercised the option when the stock dropped to $2, giving a profit of a further $2,000. Net profit: $2,775 less brokerage."

* * *

Trading volume of **Standard Structural Steel** jumped to 18,180 shares last week in Montreal, turned over another 7,700 shares in the first two days of this week. Price touched $16⅞, sharply up from $11 of two weeks ago. Company fabricates and erects structural steel for property construction, last year earned $1.35 per share on 160,000 shares outstanding.

Public participation began last November when shareholders sold to **Forget & Forget** 5,000 shares at $9 per share and granted a 90-day option on 43,000 shares at $9. These shares were offered to the public at $10. No part of proceeds was received by the company, which is still run by the Pickard family. It is understood that first quarter operating results were poor, but business has subsequently been picking up at a sharp rate.

Massey-Ferguson continues to trade briskly in the $15½ - $16 range (down slightly from 1959 peak of $16¾ reached June 1) while investors await final details of the deal to take over tractor operations of **Standard Motor Co.** in the U. K. (**FP**, June 27).

Dividend Changes

EASTERN LIGHT AND POWER — Common, 80c payable August 15 to holders of record June 30. Total payable or paid to date in 1959, $1.00; total paid to same date in 1958, 80c; total paid in 1958, 80c.

SAVINGS AND INVESTMENT CORPORATION MUTUAL FUND OF CANADA—Common, 4½c plus 1½c extra, payable August 15 to holders of record July 31. Total payable or paid to date in 1959, 13½c plus 1½c extra; total paid to same date in 1958, 13c; total paid in 1958, 17½c. Bid: $5.58; Ask: $6.09.

D. A. STUART OIL—Common, 25c plus 25c extra, payable September 1 to holders of record August 6. Total payable or paid to date in 1959, 75c plus 25c extra; total paid to same date in 1958, 75c; total paid in 1958, $1.00. Recent price: $18¼.

Note

By VINCENT EGAN

There was some surprise among investment men at this week's offering of $50 million 5½% **Ontario** bonds.

While a borrowing by the province was expected, it was not thought that it would come quite so soon after the $50 million Ontario Hydro issue of four weeks ago, nor be priced quite so close to the market. It had been rumored, too, that the province would try the New York market this time.

This week's issue, open-end as to maturity, consisted of 10-year bonds at par to yield 5.50%, and 20-year bonds at 98½ to yield 5.62%. At Monday's close, comparable maturities of the recent Hydro issue were offered to yield 5.40% and 5.58% respectively.

* * *

Offering this week of $8,250,000 25-year 6% first mortgage sinking fund bonds of **Steinberg's Properties Ltd.** was well received, at its price of 98 to yield 6.17%. Underwriting group is headed by **Dominion Securities** and **H. C. Flood & Co.**

* * *

An issue of 380,000 npv common shares of **United Principal Properties Ltd.** has been sold at $3.10 by **Watt & Watt, E. T. Lynch & Co.** and **J. L. Goad & Co.** Affiliated with **Principal Investments Ltd.**, UPP owns nine Ontario shopping centres as well as several other retail properties. Stock was trading on the Canadian Stock Exchange this week in the $3.40-$3.60 range. Company was originally known as **Kerr Lake Mines.**

* * *

The capital market will probably see increasing issues of firms allied with the TV industry, because of the Government's promise to license private stations for major cities in which CBC-TV is already operating.

Annett & Co. has sold $500,000 **Trans-Video Productions Ltd.** 6½% 10-year convertible sinking fund debentures, at $1,000 per unit consisting of a $1,000 debenture and 100 npv common shares. Conversion price is $2.50 until 1964, $5 until 1969.

Company produces films and TV series in its Toronto studio.

* * *

Rights to buy one new share of **Hardee Farms International Ltd.** at $11, for each five shares held July 9, expire next Wednesday, July 29. Recent price: $16.

* * *

Commodities: In rye, there has been heavy buying of Winnipeg futures as a result of a cut of 11 million bu. in the U. S. rye crop in the July report. Winnipeg flax has advanced on a report that the U. S. crop will be too small to allow any export.

* * *

The Indian government and **Hawker Siddeley Aviation Ltd.** of the U. K. have agreed on manufacture in India, under license, of the Avro 748 with **Rolls-Royce Dart** engines. The twin-engined turboprop aircraft, resembling the Viscount, will replace the IAF's fleet of DC-3s.

5.50% and 5.62% Yield from Ontario Debentures

The new issue of Province of Ontario Debentures provides the highest interest return available for over 25 years from a new issue of Ontario debentures. Their excellent security and attractive interest return combine to make them investments suitable for almost all investors.

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5½% Debentures due August 15, 1979 — **Price: 98.50 and interest* to yield about 5.62%**

*No interest will be charged on Debentures of both maturities for which payment is received by August 17, 1959.

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Auto Electric 1959 Net Up 30%

Net profit of **Auto Electric Service Co.** for the six months ended June 25 totaled $210,324 or $1.62 a share.

This was 30.2% higher than first-half 1958 net of $161,482 or $1.25 a share.

Operating profit, before taxes, rose by 40.8%, to $419,830 from $298,160 in the corresponding 1958 period.

Working capital at June 25 stood at $1,913,267 compared with $1,784,564 a year earlier, Chairman George J. Beattie reports.

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THE INVESTMENT FUNDS

Mutual Accumulating Fund Buys Short-Term Notes

In the quarter ending June 30, total net assets of **Mutual Accumulating Fund**, Vancouver, at $21,751,505, were up 6.6% on the previous quarter and 34% ahead of those reported a year earlier.

Net asset value per share was $7.64, compared with $7.63 at March 31 and $6.41 at mid-year 1958.

During the quarter, holdings of 14 common stocks were increased, two were reduced, and four others were eliminated from the portfolio.

Changes in the fixed-interest sector of the fund's holdings saw the addition of three short-term notes, and the liquidation of one bond and one preferred issue.

Proportion of total assets invested in common stocks was reduced during the quarter from 88.94% to 82.15%; holdings of fixed-income securities advanced from 10.58% to 13.40%, and net cash and receivables from 0.48% to 4.45%.

Here are the portfolio changes in detail for the quarter ended June 30, 1959:

	Amount held at June 30/59	Change since Mar.31/59
Bonds & Notes:	$	$
Ind. Acceptance 5¼% note	450,000	+450,000
Loblaw Groc. 4⅞% note	250,000	+250,000
Simpsons Ltd. 4⅞% note	500,000	+500,000
W'dward St. (1947) 5% '78	....	—191,419
Preferred:	— Shares —	
B.C. Electric 5%	....	—2,075
Common:		
Ford of Canada A	....	—5,600
Dom. Tar & Chem.	60,650	+3,150
Gypsum, Lime & Alab.	....	—2,000
Massey-Ferguson	53,000	+2,900
Ind. Acceptance	17,525	—5,475
Traders Finance	....	—4,000
Abitibi	12,275	+2,275
B.C. Forest	41,400	+2,700
Howard Smith	3,200	+200
Price Bros.	3,675	+1,000
Gt. Lakes Paper	9,375	+3,575
St. Lawrence Corp.	14,600	+4,100
Falconbridge	7,700	+3,000
Steep Rock	15,000	+5,000
B.A. Oil	22,000	+5,250
Westcoast Trans.	20,000	—1,500
Moore Corp.	15,000	+10,000
Shawinigan	....	—600
Algoma Steel	21,025	+2,525
Steel Co.	11,400	+1,400

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Imperial Oil Net Drops 3%

Despite sizeable increases in business volume in the first half of the year, **Imperial Oil Ltd.** earnings were 3% lower than in same period last year.

Earnings after income tax for the first six months of 1959 are estimated at $23,334,000, equivalent to 74c a share ($24,153,000 and 77c a share in same period last year).

President J. R. White attributed the lower earnings to increased income taxes and to extreme competitive conditions.

Net crude oil production was up 8% in the first half, refinery run up 16% and sales of company products up more than 10%.

In a message to shareholders attention was drawn to the improvement of earnings during the second quarter, a trend which is expected to continue over the balance of the year.

Company earnings for all of 1958 amounted to $50,620,414, equal to $1.61 a common share.

These shares having been sold, this advertisement appears as a matter of record only.

New Issue

215,000 Class "A" Non-Voting Shares
without par value

The Oshawa Wholesale Limited
(Incorporated under the laws of the Province of Ontario)

IGA
SUPPLY DEPOT

Registrar and Transfer Agent: The Canada Trust Company, Toronto and Montreal

Application for listing these Shares on The Toronto Stock Exchange has been approved subject to the filing of documents and evidence of satisfactory distribution.

We, as principals, offer these 215,000 Class "A" Non-Voting Shares, if, as and when issued by the Company and accepted by us, subject to prior sale or change in price and subject to the approval of all legal matters on our behalf by Messrs. Miller, Thomson, Hicks & Sedgewick, Toronto, and on behalf of the Company by Mr. Albert Shifrin, Q.C., Toronto.

Price: $8.50 per share

A copy of the offering prospectus will be promptly furnished upon request.

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How Selected Textile Stocks Fared

Stock	Recent price $	Earnings (Loss) per share $	Indicated an. div. $	Yield %	Price Range 1951-1957 high $	1951-1957 low $	1958 high $	1958 low $	1959 high $	1959 low $
Cotton										
Cdn. Cottons	16	(2.41)	nil	n.a.	95	7	11¼	5	16	9¼
Dom. Textile	10½	1.03	0.60	5.7	16¾	6	10⅜	7⅛	12	9⅝
Weavers and Spinners										
Bruck A	12	(0.74)	nil	n.a.	24	5½	9½	4½	14	8¼
Cons. Textiles	2.75	0.03	nil	n.a.	26⅞	2	3.50	2.00	4.10	2.25
Industrial and Household										
Auto Fabric A	9.00	1.61	nil	n.a.	7¾	3	7.00	2.25	9.00	6.00
Harding Carpet	14⅛	1.44*	0.55	3.8	12¾	6	8⅝	6¾	15⅝	8¼
Knitters										
Belding Corticelli	11½	1.05	stock	n.a.	18½	6	9⅞	6	13½	10⅛
Riverside Silk A	10½	0.44	0.50†	n.a.	30	8	14¾	11	11	10
Penmans Ltd.	33	3.22	1.80	5.5	27	13.3	34	23	36½	30
Synthetic fibre makers										
Cdn. Celanese	23	1.18	0.90	3.9	68	4½	8¾	4.80	13	8⅜
Cdn. Chem. & Cellulose	12⅝	(0.02)	nil	n.a.	16	15	17⅞	15	20¼	15½
Cdn. Industries	17⅛	0.58	0.50	2.9	28¾	16⅜	21⅞	16	28½	19¼
Du Pont of Canada	26¾	0.70	0.50	1.8	35½	12⅛	19¾	13	23½	18⅛

* Six months ending April 30. † Paid on arrears

INVESTMENTS

Healthier Tone in Textiles Peps New Investor Interest

By ERIC RICHTER

IN THE past few months there has been a marked revival of investor interest in textile securities.

Largely neglected since 1951-52 when the industry as a whole began its long, severe down-slide, many issues are now showing new buoyancy and higher trading volumes.

Most are selling well above their 1958 lows and many have exceeded last year's highs. There are, of course, a number of exceptions.

Several reasons appear to underlie the renewed show of strength.

• **The textile industry generally is taking on a healthier tone.** After the long slump, business both here and in the U.S. appears to be picking up. Mill bookings are better and prices have shown a slightly firmer trend in many segments of the industry.

• **Climbing market prices and declining yields** of many other groups of industrial securities are focusing new interest on textile stocks, many of which were investment favorites some years ago.

A growing number of textile men believe the bottom of the textile industry slump has been passed.

Financial results of numerous mills for the 1958-59 fiscal year tend to support this belief.

Many reported improved earnings for 1958, compared with the previous year, while others cut losses. There were, of course, some exceptions.

As the accompanying table of selected textile securities shows, the profit-thin years since 1951-52 have taken their toll of dividends. A good many companies, having sustained losses or turned only marginal profits, have not paid dividends in some years. In addition, substantial arrears have accumulated on some class A and preferred stocks.

The latter, according to some investment analysts, could well turn into interesting "special" situations provided the recovery movement continues.

Fields of the dividend paying textile securities, compared with those on many other classes of industrial stocks, undoubtedly is responsible in part for renewed investor interest in textiles.

Dominion Textile Co., for example, at its 1958 low of $7⅛ was yielding over 8% at annual dividend rate of 60c paid since 1957.

Today, with the stock selling three points higher, yield is still 5.7%.

Canadian Celanese Ltd. (current indicated annual dividend 90c), yielded 6.9% at its 1958 low of $13. At recent price of $23, yield is still just under 4%.

Another spectacular performer has been **Harding Carpets Ltd.** This stock moved from a low of $6¾ in 1958 to a high of $15⅝ this year, exceeding its 1951 high of $12¾. Current indicated annual dividend is 55c.

A big improvement in earnings for Harding is indicated in the current fiscal year. In the first half, ended April 30, company reported earnings of $1.44 per share compared with 38c in corresponding 1957-58.

Including three big synthetic fibre makers that also have extensive chemical and other interests, there are about 40 listed Canadian textile securities.

Some companies, of course, have only small capitalization. Their stocks trade infrequently and in small volume.

All sections of the textile industry are not faring equally well in attempts to stage a comeback.

Wool mills, in particular, experienced a poor year in 1958. Although some improvement is forecast for 1959, earnings prospects are still bleak. A measure of the industry's troubles is the fact that three mills closed last year.

Synthetic fibre makers have chalked up impressive gains.

In this group, only one firm — Canadian Celanese — is exclusively engaged in the textile field. Three others, **Canadian Industries, Du Pont of Canada, and Canadian Chemical & Cellulose,** have extensive non-textile interests which have an important bearing on profits.

Synthetic fibre producers, industrial and household textile makers have been helped by development of new products, new uses for existing products and general recovery of the Canadian economy.

The cotton textile industry continues to feel the impact of severe competition from imports. While some mills improved sales and earnings last year, others were forced to cut back production in the face of mounting losses.

Weavers and spinners, after a poor 1958, are forecasting an improvement in both sales and earnings this year.

Knitting industry prospects are mixed.

Market for ladies' nylon hosiery continues poor and prices weak. Indications are makers of higher priced lines **where style is a factor** will improve their position this year.

Mills turning out lower priced, standard items expect little betterment.

Many textile observers feel 1959 will be a critical one for the industry.

Results attained by mills this year should largely determine the depth of the recovery movement and its permanence.

If any significant improvement in textile markets materializes, many mills — sharpened to high efficiency by long, lean years — should be in a good position to capitalize on it.

Company Report

Textiles

TOOKE BROS. LTD., Montreal, consolidated net loss of $304,847 for 1958 was 9% higher than net loss of $279,645 in 1957.

There was a decline in both sales volume and gross profit and operating costs remained too high for a profitable operation, says President G. A. Blundell.

Increasing imports of finished goods, mainly from the Orient, still continue to have a severe effect on the textile industry generally and outlook for 1959 is not encouraging, he says.

CONSOL. INCOME ACCOUNT

Years Ended Dec. 31:	1958	1957
Net oper. loss	$251,857	$164,940
Less: Deprec.	22,990	23,274
All interest	30,000	42,125
Exp. re subsid.	......	49,306
Net loss & deficit	304,847	279,645
Earnings per Share and Dividend Record:		
Preferred	d$2.54	d$2.33
None paid.		
Common	d2.90	d2.69
None paid.		
Shares o/s at Dec. 31:		
6% Pref., $6 par	120,000	120,000
Common, n.p.v.	120,000	120,000

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1959	1957
Cash	$2,200	$2,984
Accts. rec., less res.	807,170	939,372
Inventories	791,347	1,423,561
Prep. exp.	43,270	26,225
Total curr. assets	1,643,987	2,392,742
Rec. fr. prop. sale	120,000	130,000
Fixed assets*	521,873	532,092
Total assets	2,285,860	3,054,834
Bank loan	1,274,480	1,456,763
Accts. & tax. pay.	230,747	482,591
Total curr. liab.	1,505,227	1,939,354
Pay. re property	210,000	240,000
Funded debt	600,000	600,000
Capital stock	771,695	771,695
Less: Deficit	801,062	496,215
*After deprec. of	578,661	561,029
Working capital	138,760	453,388

Quebec Power First Half Net Rises by 6.5%

MONTREAL (Staff) — **Quebec Power Co.** first half net profit was up 6.5% at $775,491 ($728,028 a year ago), equal to $1.11 ($1.06).

Following last year's trend, power sales were up, and gas sales declined.

Here is condensed statement:

Six mo. ended June 30	1959 $	1958 $
Power sales	7,689,870	6,950,596
Gas sales	233,993	238,671
Other oper. rev.	86,906	68,204
Temp. invest. inc.	33,680	17,212
Less: Oper., maint. & gen. exp.	2,608,023	2,441,776
Power purchased	2,902,837	2,489,708
Taxes	188,948	183,925
Depreciation	653,000	610,740
Int. on funded debt	228,795	231,495
Income taxes	673,010	574,831
Net profit	775,491	728,028

114 Stocks Yield Averages 3.98%

The average yield on 114 dividend-paying stocks on the Toronto Stock Exchange, as compiled by **Moss, Lawson & Co.,** on the prices of July 20 was 3.98%, unchanged from the previous week.

The current yield compares with 4.04% one month ago and 4.59% in the corresponding week last year.

Here is the yield by the various groups:

	July 20 %	Week Ago %	Month Ago %	Year Ago %
Common	3.52	3.51	3.60	4.25
Pfd. & A	4.72	4.75	4.72	4.92
Mining	4.88	4.89	4.90	5.47
Banks	2.79	2.78	2.84	3.38

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We recommend shareholders of Hardee Farms International Ltd. exercise their rights immediately. Rights entitle holders to subscribe for one new share at $11 for each five shares held. Rights expire July 29, 1959.

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CANADIAN ENERGY INDUSTRIES — Graham, Armstrong Securities Ltd., 437 St. James St. W., Montreal.

LOOKING AT YIELDS—Hugh Mackay & Co., 235 St. James St. W., Montreal.

UNION ACCEPTANCE CORP. — Deacon, Findley, Coyne Ltd., 197 Bay St., Toronto.

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ITALIAN LINE RESUMES SERVICE

FIRST SAILING JULY 22nd

Captain Ezio Bonfanti, General Manager of Italian Line announced today that regular services are being reactivated due to the suspension of the seamen's strike. The first sailing from New York will be the departure of the Giulio Cesare on July 22 followed by the Vulcania on July 25. Here is the immediate sailing schedule:

Eastbound from New York

Giulio Cesare — July 22 Gibraltar, Naples, Cannes, Genoa.
Vulcania — July 25 Lisbon, Gibraltar, Barcelona, Naples.
Cristoforo Colombo — August 7 Gibraltar, Naples, Genoa, Cannes.
Saturnia — August 8 — Lisbon, Gibraltar, Barcelona, Naples, Palermo, Patras, Venice, Trieste.

Sailing Schedules

Saturnia — July 22 from Trieste — arriving New York August 6.
Cristoforo Colombo — July 28 Genoa — arriving New York August 6.

Captain Bonfanti said that later sailing dates would be announced as soon as possible and would appear in this paper in a few days.

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Springhill Revisited

This is the not altogether happy story of what is going on in Springhill, N.S.

After the tragedy at ill-fated colliery No. 2, the Springhill Disaster Relief Fund was set up and received a total of $1,982,146.

Annuity payments to widows and dependents will absorb $380,453 or 19% of the fund. Most of the remainder is being used for direct relief to miners unemployed since the colliery closed. Some $355,840 has already been disbursed this way and payments are continuing at the rate of $15,000 a week.

Many of the beneficiaries are able-bodied men who have turned down job offers elsewhere.

While it is easy to understand their reluctance to leave their home town, their houses and friends, it is doubtful if the main intention of subscribers to the fund was to augment the dole for unemployed miners.

Perhaps more would be gained by earmarking a larger portion of the funds for the education of the 149 dependent children of miners killed in the underground catastrophe. They were the ones whose lives and prospects were most deeply affected by the disaster itself. At the moment, payments on their behalf end at age 18.

It would seem that the annuities don't go far enough and the direct relief to the unemployed goes too far.

Why the Kozlov Tour?

Why did Mr. Khrushchev send Deputy Premier Kozlov on a tour through the United States not long after he had sent Deputy Premier Mikoyan on the same mission?

The only reasonable view is that these No. 2 Russians came to North America in the hope of drumming up trade and creating a little goodwill — nothing more sinister than that.

Kozlov's tour is being written off as a flop in the American press. It is said that he shook hands but not minds.

Certainly he drew no cheers from members of the public who saw him and it's highly unlikely that he made a single convert to Communism. But even Kozlov himself can hardly have expected to be hailed as a popular hero. The Kremlin's policy-makers are well aware of the state of public opinion and feeling in the U. S.

For the same reason it's incredible that Khrushchev counted on Kozlov to "weaken American resolve" and persuade either Congress or the public that American defences can be let down. If this was the purpose of the tour, Khrushchev would hardly have uttered menacing remarks about Russia's military power just at the time when his deputy was smiling broadly at his U. S. hosts.

The conclusion must be that Kozlov, like Mikoyan, had the modest aim of looking for business and taking some of the chill off Soviet-American relations; and it's conceivable that he may have been marginally successful despite unfavorable press reviews of his performance.

The Little Man in the Basement

Found at last—in the flesh—the Common Man.

And it's another "first" for the U.S.S.R. Just look at this.

An Indian editor has told us of going through the offices of Izvestia, the Russian newspaper, and finding the managing editor poring over a proof of the forthcoming edition of the paper, making changes.

"I attend the grand council meetings of the Soviet leadership and I am making sure that the intent of that gathering is being expressed properly in the paper," the Russian explained.

But then the Indian was taken through the basement where he found another man poring over the same paper and also making corrections.

This man explained his job this way:

"I am known as the Common Man. One of us is picked every three months to come in here to read each day's edition and to see if I, as a Common Man, understand what is written. If not, I suggest how the message may be simplified and made more understandable."

As ZsaZsa Gabor would say: "Láttál már ilyet?"*

Hoist by Our Own Petard?

One source of the rapid rebound of European production that has taken North America by surprise is an intense and widespread interest in productivity.

Back in May, 1953, the Organization for European Economic Co-operation (which had begun life as the channel for allocation of postwar Marshall Aid) set up the European Productivity Agency for the purpose of giving "the greatest possible impetus to the adoption of the most modern technical processes, the use of experienced managerial staff and the practice of the latest methods of approach to social problems in European industry, trade and agriculture." The EPA works through National Productivity Centres established in 15 of the 17 member countries of OEEC. These centres set up their own programs, in consultation with one another through EPA. They use EPA as a clearing-house for ideas and information, and a source of advice and assistance.

"EPA uses a wide variety of methods to achieve a single aim, that is to raise the standard of living in OEEC member countries," the EPA reports.

No one — not even EPA — would claim that the sharp advances in European living standards in recent years were due directly to the operation of this European body; but if nothing else, the National Productivity Centres and the EPA have been able to plug away at the notion that higher living standards come from greater efficiency in production.

Canada has contributed a modest amount of backing to this effort to help her European customers improve their lot. Now it's beginning to look as if we might do well to pay more attention to plugging productivity at home.

The Buffalo Miracle

Old timers must have rubbed their eyes when they saw a brief report from Ottawa last week: There will be an open season for buffalo hunting this fall.

True, only about 30 licenses are expected to be issued and they will be good only in the Northwest Territories. But this will be the first open season of any kind for buffalo since 1893.

It's a miracle that there are any of these big animals alive in North America today, let alone so many that limited hunting is to be permitted again.

Less than 50 years ago it was exceedingly doubtful whether the buffalo could survive—except for the famous pair of bronze ones in the Manitoba legislature buildings. By the end of the century the vast herds that once roamed the western prairies had completely vanished. Only a handful of animals were left, all in zoos or private reserves.

Rapid and total extinction was certain when the Canadian government stepped in, purchased the only sizable group available, and gave it protection in a special preserve in Saskatchewan. Now there are several thousand buffalo and for years a substantial surplus has been shipped to the open range in the north.

It's too bad some similar move was not made before it was too late to save the passenger pigeon. What an improvement those far-ranging birds would have been over the kind that plague so many of our cities today.

Whooping It Up at 95

If wishes were horses beggars might ride, but it's not just wishful thinking to believe that someone, some day, will build a case for retiring men at age 30, taking them back on staff at age 40, then keeping their noses to the grindstone until they depart this world.

The reason: Within a few decades, whether we like it or not, the average life-span of North Americans may be 100 years.

This may mean moving retirement age up to 85 or 90, according to Dr. Edward L. Bortz, past president of the American Medical Association — unless someone thinks up an alternative.

The advantages of a mid-career retirement are positively legion. For example, it would refresh the worker for his next 50 years of work — and, with that exhausting prospect hanging over him, he may well need it.

And almost anyone could have a lot more fun with a pension at 30 than he could with one at age 90.

There's only one drawback to the scheme. If the potential 100-year-old waits to retire until he's 90, there will be three women for each man. Some may not be able to resist the prospect of whooping it up with a covey of gay old girls—96, 97, and 98.

Taxes on Creative Work

One of the functions of the Canada Council is to give financial help to deserving creative workers in the arts, including writers, musicians, painters and others. But there is more than one way to ease the material troubles of these valuable people.

In its second annual report just issued, the council suggests that taxation policy, without unfairly discriminating, should take account of the special circumstances and difficulties of creative workers, particularly writers of books.

It's now generally agreed that the author of a successful book, which may have taken a decade or longer to write, should be permitted to spread income tax payments on the proceeds over a few years.

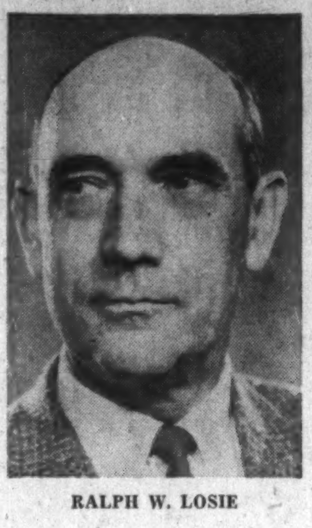
In Britain and the U. S. three years is the time allowed and Canada has followed this pattern.

This is a tremendous encouragement to the writer who may score only one or two successes in a lifetime of work, especially in the U. S. and the U. K. where sales are substantial.

The council's proposal now is that the Canadian writer, because of the small size of his home market, should be allowed four or five years instead of three. This looks eminently reasonable.

*If you haven't recently been holding hands with ZsaZsa, and hence rusty on your Hungarian, her deathless and ringing remarks mean: "Well get a load of that".

Post Scripts



RALPH W. LOSIE

World Wide 'Phone Man

Ralph Wallace Losie of Edmonton, whose 40 years' experience in the telephone industry has been gained in the United States, Japan, China and Cuba as well as Canada, is the new president of the Telephone Association of Canada. Losie, general manager of Alberta Government Telephones, was elected to his new post at the association's annual meeting in Niagara Falls.

He takes office at a time when the 10 members of the association — the privately-owned companies and public corporations that serve most of Canada's 5,100,000 telephones—are busier than ever before in keeping up with the country's growing communication needs. They spent $291 million on expansion last year and expect to spend still more in 1959.

Born in Peterborough, Losie went west with his family in 1913 and joined Alberta's government system five years later. In 1924 he went to Chicago to study dial equipment. Two years later he went to Japan to assist in the installation of dial facilities when that country's telephone system was being rehabilitated following damage resulting from the earthquake of 1923. Next tour was Shanghai to work on maintenance of the private automatic exchange equipment there. After that his next project was the installation of dial facilities in Cuba, where he worked for six months.

Ralph Losie returned to Alberta in 1928 and served as installation superintendent in Calgary for a few years before going to Edmonton as the system's general plant superintendent. In February, 1957, he was appointed assistant general manager and took over as general manager in July of the same year.

Losie, who played football for Edmonton's Eskimos in 1923 and Calgary Tigers in 1929, is now a member of the Windermere Golf Club in the Alberta capital. He also belongs to the Edmonton Electric Club and serves on the executive of the Canadian Club. He was admitted to membership of the Professional Engineers of Alberta, by the University of Alberta board which governs membership, on the basis of experience and practical qualifications, and he is also a member of the Engineering Institute of Canada. He is married and has a son and a daughter.

• • •

Winnipeg C. of C.

For its 1959 president, Winnipeg's 1,400-member Chamber of Commerce chose John S. McMahon, a successful business operator and a man who believes in team work.

Nearly 35 years ago his wholesale building material business — chiefly carpets, linoleums and tile — started a pension plan for employees when the payroll numbered less than 60-odd workers. With it the company started to allocate a percentage of annual net profits for the staff. No venture has ever worked more satisfactorily, he says, both for himself and those who work for him.

One of his recent ideas has been to turn his 180-acre farm in suburban Charleswood located on the south side of the Assiniboine River into an 18-hole golf course. It is a 3-year project now well on the way and last year and this his spare time has been largely occupied with supervision of traps and hazards and its general construction. With post-war growth of Winnipeg he admits the venture may have commercial projects.

McMahon is a huskily built near 6-footer, whose weight is about what it was in 1925 when he was a member of the first Winnipeg football team to try for the Dominion championship. The crucial game was with Ottawa Rough Riders. The Winnipeg club didn't prove a serious threat but it at least was the first western team to score against the east.

His father, W. G. McMahon, was a manufacturer's agent in Winnipeg whose business was eventually turned into a company. Born and educated in Winnipeg he attended Winnipeg schools, later Ashbury College, Ottawa, and finally Royal Military College at Kingston from which he graduated in 1925.

On his return to Winnipeg he worked a year with a firm on the Winnipeg Grain Exchange. He joined his father's business in 1926—at the time he was 22—became president on his father's death in 1932 and still is.

After graduation he joined the Fort Garry Horse, served as an intelligence officer and later took the Manitoba Dragoons overseas.

Mr. McMahon has a family of one son and one daughter.

JOHN S. McMAHON

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Got What He Wanted

Leslie Endicott Barber, 45-year-old publisher of the Chilliwack (B.C.) Progress, is the new president of the Canadian Weekly Newspaper Association. There was never any doubt about what he would be when he grew up. He was practically raised in his father's newspaper office and there he intended to stay. He has.

Barber senior started his business life as a printers devil or general office boy at Wingham, Ontario, on the Advance. He worked as a printer on several more weekly papers in Ontario, then purchased the Sentinel at Pilot Mound, Man. Later he came to Chilliwack, started an opposition paper which flopped, joined the Progress and finally bought it from the late Senator J. D. Taylor.

Les Barber grew up in Chilliwack, in southern B. C., went to public school there and later to the University of British Columbia, graduating in 1937. In holidays and after school he worked in the Progress office. Immediately after graduation he went on the permanent staff and except for two years with the Canadian Navy in the last war has been there ever since. When he took over 10 years ago the paper had a circulation of 4,000 and the plant employed 11 people. Now the circulation has moved up to 5,300 and there are 20 on the payroll. The Progress claims to be the oldest continuing weekly in B. C. having been established in 1891 by W. T. Jackman of Markdale, Ontario.

Like most weekly newspapermen, Barber is very active in community affairs, is a director of the local Rotary, Canadian Legion, Board of Trade and Kinsmen. He is a keen sportsman having played football, soccer, basketball, softball and tennis. Now, however, he gets most of his exercise gardening and lawn cutting and boating on the river which flows by his home.

Barber and his wife, the former Connie Baird, whom he married in 1938, have two teenage daughters and a two-year-old son.

What Others Are Saying

The Next Governor-General

Victoria Colonist

Confirmation of General Vanier might imply that a settled policy of Canadian and Canadiene governors-general in rotation was being introduced. This too would reduce the status of the office by making it subject to routine appointment at the expense of the post itself. The best man should be chosen, even if he came six times in succession from the same town.

If this distinguished French-Canadian is being selected because of his own particular qualities — and these are manifold and appropriate—then the high office of governor-general will be well served. It will be unfortunate, however, if there is any appearance of political considerations having been given undue priority.

QUITE APART FROM POLITICS many Canadians are deeply concerned about the direction in which the unemployment insurance scheme is developing, says the **Winnipeg Tribune.** "They feel that it is becoming a source of welfare payments for some groups and a taxation plan for others. Welfare payments are needed but the taxes to support them should be levied on the whole community, not on workers in certain salary brackets and certain occupations."

OTTAWA LEGISLATION designed to restrict loss leaders in retailing, declares the **Vancouver Province** "is unwarranted government interference with the normal processes of business. Also it is interference that is not in the interests of consumers."

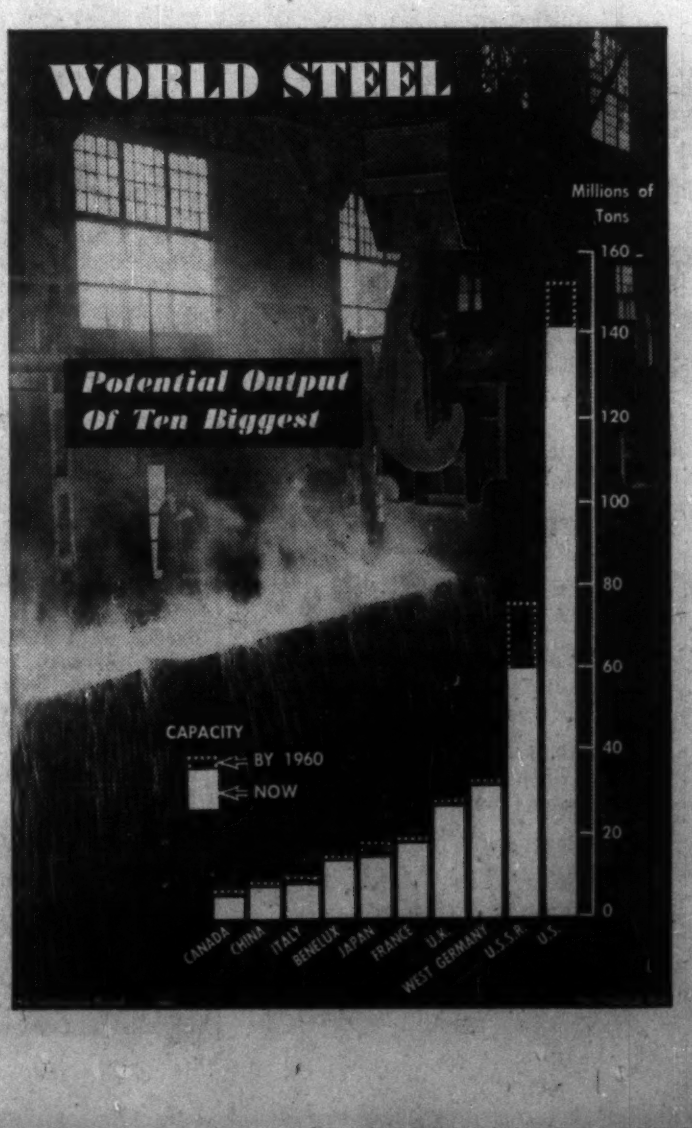
IF COMMERCIAL sponsors are paying only part of the cost of CBC's TV programs, asks the **Calgary Albertan,** "why not designate the Canadian taxpayer as co-sponsor, and put in a commercial or two on his behalf?

MERCHANTS SHOULD BE FREE to open and close their stores as they wish, or make their own voluntary arrangements through business associations, declares the **Aurora (Ont.) Banner,** "but there should be no legislation such as the present provincial law which permits 75% of the merchants in a given line to petition a municipality for a closing bylaw for their trade."

SHARING THE WEALTH among the provinces is easier said than done, argues the **Ottawa Journal.** "What may be possible, however, is that every province should be given the widest possible measure of opportunity, that by every practical legislative step, and possibly by other steps, provinces like Newfoundland, New Brunswick and Nova Scotia be made to feel that they are of the family, that they are fiscally autonomous units, and that the other and richer provinces, plus the Dominion, are not unmindful of their particular problems. That way, and that way alone, can Confederation be kept strong and united."

THE MOVEMENT OF PEOPLE away from the farms is not a thing to mourn over, declares the **Toronto Globe and Mail.** "It is a sign of progress. The more advanced a nation, the smaller the proportion of its population engaged in producing food. In a primitive tribe, everyone is a farmer or herdsman, and everyone lives a narrow, cramped, poverty-stricken existence. As civilization develops, improvements in tools and techniques permit fewer and fewer men to grow the food needed by the community, while more and more workers are freed to produce the goods and services needed for a richer and fuller life."

NOW IS THE TIME to strengthen the CBC, not just tamper with it, argues the **Abbotsford (B.C.) News.** "Canada needs a national broadcasting system that is both national and free from political interference. There is no reason why such a system cannot co-exist with private stations, if the politicians have the good sense to recognize the principles involved.



Napier Moore's

Scratch Pad

VERY FEW PEOPLE I have met are familiar with Meddybemps. Some have refused to believe that there actually is a place bearing the name. It is a lake, and there's a tiny hamlet, in northern Maine, near the Canadian border. Several times I stayed on one of its islands, owned by the late Bob Brinkerhoff, who, 30-odd years ago, used to draw the illustrations for Norma Philips Muir's "Peter and Pokey" stories in Maclean's Magazine.

Canada's Dr. Charles H. Best (co-discoverer of Insulin) and his wife came down to our little English country cottage for lunch last Sunday. And both of them know Meddybemps intimately. It isn't very far from a summer place they have across the border. Meddybemps crept into the conversation while we were talking about the Bests' native Nova Scotia.

Incidentally, it developed that both Best and I, in lectures and speeches, have frequently used the story of the little port of Castine, Maine. In the war of 1812 it was a base for American privateersmen who preyed on British shipping. Annoyed, the British sent an expeditionary force from Halifax and captured Castine. They held it for some time and imposed customs duties. Following the Treaty of Ghent, Castine was returned to the U. S. and the British took the customs revenues back to Halifax. The money was known as the Castine Fund, and it was used to found Dalhousie University.

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THE FUNNIEST CLOWN on earth until his retirement five years ago, Swiss-born Adrian Wettach, known to the world as Grock, died in Italy the other day, aged 79.

As a newspaperman in New York, I met Grock on his first visit to the U. S. And he was, as the saying is, spitting chips.

That was in the early 1920s when vaudeville was still in its prime. Grock, who commanded a princely salary, was booked to make his Broadway debut at the shrine of variety—the Palace Theatre.

Now it so happened that a week or so before Grock's appearance, a famous English comedian, Wilkie Bard, had headed the Palace bill. Sad to relate, Bard was a catastrophic flop. This so alarmed the Keith vaudeville management that they got cold feet about another European star and switched Grock to the Riverside, one of their lesser theatres away up Manhattan.

Furious over this affront, Grock almost walked out of his contract. But he did appear and scored such a terrific hit that he was transferred to the Palace the following week. There he was sensational. But when I interviewed him in his dressing room he was still fuming; said he would never set foot in the U. S. again.

Grock was not only the superb clown but a gifted musician, playing the piano, violin, clarinet, mandolin, trumpet, guitar, concertina and xylophone.

• • •

THE MOSCOW STATE CIRCUS is playing at London's Wembley Stadium, and the sensation there is a Russian illusionist named Kio. A slender-looking cage, with bars on all four sides, and raised so that the audience can see underneath it, is wheeled into the centre of the ring. Into it steps an attractive girl. Lightweight curtains like blinds are shot up the bars and instantly lowered again. The girl has gone and in her place is a live, fully-grown lion.

With talent like that it's a wonder the Kremlin didn't send Kio to the Geneva Conference.

• • •

ALSO IN LONDON, and not a circus performer, is a Mrs. John Aspinall who, having phoned her hairdresser for permission, took her pet, a baby gorilla, with her when she went for a hair-do and manicure. While she was in the chair, the gorilla hung around her neck. It was adorned with a white nappie fastened with a safety pin.

Then there's the case of another monkey named Charlie, who, getting loose, certainly messed up the English ladies county finals being played on Lindrick Golf Course, near Doncaster. Charlie terrified the women golfers by jumping at them, went off with a ball, and bit a caddie.

Stop Me If . . .

A demure young bride, a trifle pale, her lips set in a tremulous smile, slowly stepped down the long church aisle on the arm of her dignified but aging father.

As she reached the low platform before the altar, her tiny slippered foot brushed a potted fern, upsetting it. She looked down at the spilled dirt seriously, and her child-like eyes rose to the sedate face of the minister.

"That," she said, "is a —— of a place to put a plant!"

The Financial Post

Member Audit Bureau of Circulations
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Subscription — Single copies 25c. Yearly in Canada $8 (two years $14); all other countries $9 (two years $18).

Advertising Rates: Single insertion $9.50 per column inch. Contract rates upon request.

Authorized as second-class mail, Post Office, Ottawa. (Send forms 29B and 67B to Toronto address)

Indexed by The Canadian Index of The Canadian Library Association published monthly and cumulatively annually.

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Published and Printed by
MACLEAN-HUNTER PUBLISHING COMPANY LIMITED
TORONTO 2: 481 University Avenue, EMpire 3-9881.
MONTREAL 2: 1242 Peel St., UNiversity 6-9841.
VANCOUVER 5: Room 1604, 1030 West Georgia St., MU. 3-8254.
BREMEN: West Germany, Auf den Haefen 13-16.

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NEW YORK 17: 341 Madison Ave.; Oregon 9-6266.
CHICAGO 3: 79 West Monroe St.; Randolph 6-2902.

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Bloody but Unbowed, CBC Will Live

Voters will trounce any government that makes it a party organ . . .

By J. B. McGEACHY

THE STAFF of the Canadian Broadcasting Corporation is by this time used to working in the midst of uproar and crisis.

The latest CBC rumpus, with its hint of menace to the corporation's life and its revelation of internal strife, was a real doozer. Still, its pattern was not unfamiliar; and I think that hostile critics have inflated it unduly with infusions of hot air.

It is nonsense to say that CBC management or the CBC itself is crumbling or collapsing. I don't believe either that there's a plot to destroy the CBC or, if there is, that it will succeed.

As an occasional CBC broadcaster, I have some knowledge of the corporation's affairs and personalities and probably a bias in its favor. Here I write as a disinterested member of the audience. I intend no hymn of praise but some of the CBC's good works need pointing out.

With subsidy, it has built a national broadcasting service that private business could not have supplied.

If it is now possible—and it is—for many Canadian actors, actresses, musicians, playwrights, composers and other such talented people to make a respectable living in their own country, the credit for this state of affairs belongs mainly to the CBC.

Canadians of all the provinces, from the Maritimes to B. C., know one another much better and are more in the habit of thinking nationally today than 30 years ago. Coast-to-coast exchange of opinions and ideas, through free speech on CBC networks, has been a powerful agent in this improvement.

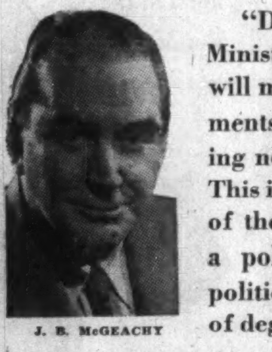
There is, I think, more than a dash of malice, or at least of invincible ignorance, in some recent anti-CBC blasts. The CBC's function is said to need re-definition; and the same critic alleges that the CBC, in providing light entertainment, has strayed from its original mandate and should get back to "culture" in the narrow sense.

Both these statements are moonshine of purest ray serene. There has never been any doubt, there is no doubt now, about the CBC's job. It is to offer the whole of Canada everything that broadcasting has to give. All governments, all parties, and all the commissions that have investigated the CBC — from the Aird in 1929 to the still highly relevant Fowler in 1957—have agreed on that.

Is it conceivable that the Canadian public would invest $40 million in a network plant and maintain a large staff to provide only Bach, Ibsen, folk music and lectures on existentialism? Such programming, as the unfriendly critics know very well, would kill the CBC stone dead almost instantly.

To come to opinion broadcasting, subject of the recent row and parliamentary inquiry, the CBC in this department must follow a very strict book of rules. It must be politically neutral. It must reflect ALL main currents of thought in the country, with e n an occasional look-in for the lunatic fringe. Above all it must not allow itself to be controlled by the government of the day.

I have personal knowledge of the valiant, scrupulous and even fussy efforts of the CBC staff to live up to this code. Still, I think it unrealistic to speak of the CBC as if it could ever be wholly free from "political influence".



J. B. McGEACHY

"Does anyone think the Minister of National Revenue will merely parrot CBC statements in Parliament, offering no opinions of his own? This is a nonsensical estimate of the probable behavior of a politician. The issue of political influence is a matter of degree."

It is part of Canadian society. It reflects the current opinions, feelings, manners and mores of most Canadians. The prevailing orthodoxy, political tone, consensus or "conventional wisdom" of the period soaks in by osmosis.

To put it more narrowly, Liberal rule in Canada in 1935-57, the era in which the CBC grew from infancy to full stature, inescapably affected broadcasting output. To cite one palpable fact that can be statistically pinned down, Liberal ministers became far better known as radio and TV figures than their opposition critics because, for many obvious reasons, ministers make more news.

To narrow the question further and come to the pinpoint, the Minister of Internal Revenue, at present Hon. George C. Nowlan, "speaks for" the CBC in Parliament; i.e., he answers questions about its policies, programs and personnel. But does anyone think that a minister in this job is going to be nothing but a combination of messenger boy and gramophone, parroting CBC statements in the Commons and offering no opinions of his own?

This is a nonsensical estimate of the probable behavior of a politician. Of course Mr. Nowlan, like Dr. J. J. McCann before him, offers comment and advice to CBC executives, advice which is likely to be tinged with partisan color from time to time but is not necessarily bad or malign and may be sensible and constructive. Of course, too, the executives listen.

The committee wrestled with the ups and downs of a program called Preview Commentary, a daily opinion broadcast on national politics by members of the Ottawa press gallery. It was taken off the air by Ernest Bushnell, acting CBC president, but put back by his Board of Directors.

Having read and re-read the testimony, I cannot doubt that Mr. Nowlan told Mr. Bushnell he didn't like Preview Commentary.

Of course Mr. Bushnell received no order from Mr. Nowlan. Of course he made his managerial decision on his own responsibility and on grounds which seemed to him correct, namely that the program was sometimes immature or unfairly slanted. But it appears unlikely that he simply ignored Mr. Nowlan's opinion.

When Mr. St. Laurent, then PM, wrote to a former head of the CBC some years ago to complain about what he thought an impertinent broadcast on Canadian foreign policy, surely no one supposed that his letter carried no more weight than would a similar letter from an obscure fan.

Mr. Bushnell was asked point-blank if Mr. Nowlan had influenced his decision; but it strikes me that this question was both improper and, in the broad view, futile. It was improper because the top CBC official is surely entitled to a confidential relationship with his minister.

It was futile because the test in this matter is not some person's memory of a private conversation or some other person's understanding of the word influence. The test is what comes out of the 21-inch screen or the box on the mantelpiece. I mean that if any government ever does seize control of the CBC and uses it for partisan ends the effect on programs will be speedily apparent. What's more, the public will raise such almighty hell that the offending ministers will lose the next election.

In my opinion the CBC staff could have accepted Mr. Bushnell's order. As Mr. Bushnell himself was quoted as having said, "better to lose a skirmish in order to win a battle."

But Frank Peers and his confreres thought differently and went to the length of resigning to protest against what looked to them like illegitimate political interference. I would give them minus marks for indiscipline but plus marks for taking a risk in defence of an independence they thought was jeopardized.

The nub of my argument is that this controversy was not a black and white affair or a melodrama with villains and heroes. The issue of political influence is a matter of degree. The battle over it is never-ending.

CBC administration was pondered by the Commons committee and has been labeled weak. The two top officials involved in the row, Mr. Bushnell and Charles Jennings, I have known as CBC men for about twenty years. They have devoted their lives, like others one could name, to the corporation. It is just ridiculous at this late date to suggest that these men are not up to their jobs and don't know, or don't value, the CBC tradition of impartiality.

But the CBC's No. 1 man needs talents unconnected with broadcasting as such; for consider how many people and groups have something to say about his operations—the Board of Directors, the Board of Broadcast Governors, the parliamentary radio committee, the Minister of Internal Revenue, and the great, articulate public.

Standing in the middle of this complicated nexus of authority, the man at the CBC summit is in a highly exposed and vulnerable spot. He must be an expert in weaving, resisting pressure, fielding ripe tomatoes and also (a point I shall come to presently) salesmanship. Maybe no one now at the CBC top level has exactly the right temperament. This is the argument for a production czar. He might be useful, provided he were not only tough but thoroughly in tune with the CBC idea.

Meanwhile it would not be correct to say that the CBC is an anarchistic institution without discipline. It is untrue that nobody has been fired from the corporation, as the committee was told, since 1942. A later dismissal, that of Joel Aldred in 1949, made headlines across the land. Firings are infrequent but they do happen.

I come to the finances of the CBC and its partly monopolistic role.

The Fowler Commission reported two years ago that the three big U. S. broadcasting companies were only beginning to make small profits out of their network operations. This being so, though the U. S. has a population of about 180 million, it's pretty certain that no private company could have made money from a Canadian national network, especially one that must reach the hinterlands. This is the main reason why the CBC was given a radio network monopoly.

With general consent it was granted a virtual TV monopoly when the new medium was first used in this country in 1952. But the experimental period, having lasted seven years, is now over. Private TV stations in big cities will shortly be competing for audiences with the CBC and adding to the gaiety of the nation. Whether they will prove profitable or not is another question; but assuredly they will be welcomed by all concerned.

There was an outcry when the CBC opened its books to the parliamentary committee, showing that advertisers on CBC-TV pay less than the production costs of programs they sponsor. But this wasn't news. The facts, though not the figures, have been known for years.

Why does the CBC, to use round illustrative figures, devise a program costing $10,000 and sell it to a sponsor for only $5,000? The simple answer, little publicized in the recent controversy, is that the sponsor can obtain Canadian rights to a U. S. program, a sure-fire, audience-pulling hit program, for less than $5,000 and have it shown in this country by paying the CBC only for time. The original program costs have been written off by a profitable sale in the American market.

Briefly, that is why the CBC must be content with all that the traffic will bear. But is the CBC quite sure it gets all it might? The Fowler Commission suggested "skill and vigor" in selling. Maybe the CBC does need a super-salesman.

Should it, alternatively, cut its coat according to its cloth and produce only programs costing, say, $5,000 if that's the limit of sponsor tolerance? This policy would mean no more ambitious efforts, like ballet or opera, and a steady diet of inexpensive shows like parlor games; and with only this fare to offer the CBC would soon have few if any sponsors left.

Life must be soft indeed, it may seem, for CBC producers who need not worry about making ends meet; but this is hardly the true picture. Some fat could probably be trimmed from the CBC's most costly shows; but it has a budget (passed by Parliament) which it mustn't exceed. It is not crazy about "deficits" for their own sake, having a use for every dollar it receives as the demand for new programs, stations and lines grows steadily. Its salaries and fees are modest.

Even so, the budget rises year by year. Should there be an upper limit? Again, I think, the Fowler Commission produced the best answer. What the CBC needs, it said, is the assurance, for perhaps five years at a time, of a gradually growing parliamentary vote. This, the Commission suggested, could be a yearly rise of about 11% or the CBC could be guaranteed a fraction, of the order of one-third of 1%, of annual spending by Canadians.

Meanwhile, the net cost of the CBC in 1958-59 (i.e. budget minus advertising revenue) was $54 million which works out at $1 a month per Canadian familly. I think it's a good buy.

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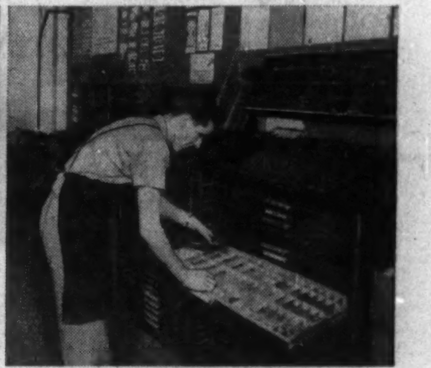

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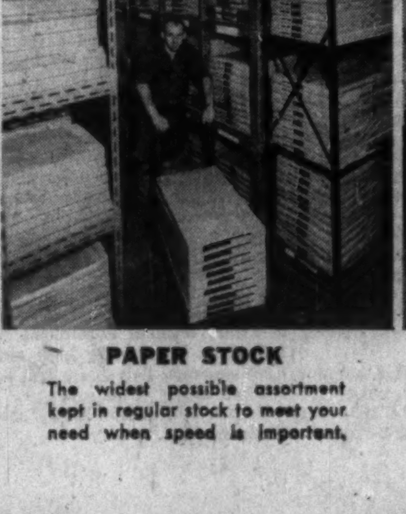

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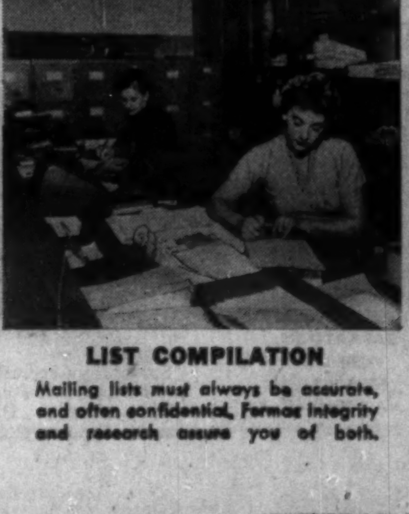

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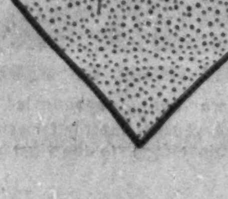

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The Outlook

Pointers Say Our Recovery On Flood Tide

(CONTINUED FROM P. 1)

business sector. **Reason given to Ottawa by businessmen surveyed: Brighter long-run sales outlook.**

Spending for non-residential construction will be 2% above last year's level, it is expected. Outlays for new machinery and equipment will be up 4% — a distinct turnaround from 1958's downward trend.

For the construction industry, 1959 will be a boom year. Housing will be slightly below 1958 levels, but total construction outlays are now expected to top $6 billion for a new record.

The across-the-board nature of business expansion is shown by this Department of Trade and Commerce comment:

"All major categories of business investment have revised their (1959) capital programs upwards from those stated last January."

These industries will set new spending records: Commercial building, particularly for office buildings and shopping centres; agriculture; communications.

In the forest and mineral products group, companies in the wood, paper products and primary iron and steel industries are showing a turnabout from hitherto declining spending patterns — but the increases won't bring industry totals back up to 1958 levels. A similar trend is emerging in the fuel and power group where higher outlays by electric and gas utilities and by pipeline companies will modify the extent of the decline from 1958. (For details, see table below).

* * *

Further justification for optimism in Canada can be found in business trends south of the border.

Sales, production and employment in the U. S. have all set records in 1959. For example: In May, seasonally-adjusted industrial production reached a point 4% above the pre-recession peak and 21% above the recession low. The level of unemployment is currently not far from the average during the 1955-57 boom.

And, a harbinger of continued expansion, U. S. business plans to spend some $32.6 billion in new plant and equipment this year. This is a 2.5% upward revision from plans made six months ago. It is a 6.9% gain over actual outlays in 1958. (The year-to-year increase in Canada will be 1.5%.)

The rapidity of economic expansion in the U. S. caused the Federal Reserve Bank of New York to comment this month:

"Broad price aggregates have held almost unchanged in recent months — although there is no ignoring the possibility of stronger upward pressures emerging in some lines as rapid re-employment of industrial facilities and manpower brings economic limits on capacity into sight.

"Developments during the second quarter tended to confirm that business expansion had entered a new phase in which credit demands, already strong, would press with sustained vigor against the available supply of loanable funds."

In Canada, the pressure from borrowers was noted in mid-May when the banks announced their intention to restrain the growth rate of loans.

Indications are that the Canadian banks have succeeded in keeping the advance within seasonal limits. Private credit — loans, mortgages, securities — increased by only $38 million during June. This compares with an average monthly increase of $140 million during the previous six or seven months.

Our Capital Expenditures

	1958	1958 Original	1959 Revised	1958 to 1959 Revised	1959 Original to 1959 Revised
	$ million			% change	
Business Capital (exclud. Housing):					
Forest & mineral products	650	612	626	—3.7	+2.3
Fuel & power	1,380	1,103	1,153	—16.4	+4.5
Trade, finance & comm. services	692	798	837	+21.0	+4.9
Transportation, storage & communication	970	956	974	+0.4	+1.9
Other	1,149	1,147	1,230	+7.0	+7.2
Sub-total	4,841	4,616	4,820	—0.4	+4.4
Housing and Social Capital:					
Housing	1,781	1,728	1,728	—3.0	...
Institutional services	490	550	570	+16.3	+3.6
Governmental departments & waterworks	1,305	1,427	1,427	+9.3	...
Sub-total	3,576	3,705	3,725	+4.2	+0.5
Total capital expenditures	8,417	8,321	8,545	+1.5	+2.7

New Drive to Cut Manitoba's $50 Million Loss from Weeds

From Our Own Correspondent

WINNIPEG — A drive is on to reduce Manitoba's $40 million - $50 million farm losses from noxious weeds.

The department of agriculture has announced a reorganized control program.

The new set-up proposes to blanket the province with weed control units staffed by technologists and backed by provincial money.

The suggested unit area is 15 townships. For each unit there is to be a committee of the district agricultural representative and two members of each municipal council in the area.

Each unit will have a qualified weed inspector and an assistant inspector if one is needed, half their salaries paid by the province.

The smaller unit area, each with its own staff, will help in closer supervision and more prompt application of control methods.

N.B. Power Plans $11 Million Growth

From Our Own Correspondent

FREDERICTON — **New Brunswick Electric Power Commission** will spend $11.3 million on capital works this year.

Expansion program provides:

- **$4.1 million for plants.**
- **$2.6 million for distribution system.**
- **$2.3 million for terminal stations.**
- **$1.9 million for transmission lines.**
- **$450,000 for sub-stations.**

Figures include this year's appropriations for the new $12 million thermal plant at East Saint John.

Commission in year ended March 31 had gross sales of $13,697,763, an increase of 11% over fiscal 1957-58.

During the year studies were continued on power potential of the Saint John river and other sources with $57,088 added to deferred survey and engineering expenses.

Surplus on operating account was $530,069. After provision for certain reserves, $155,069 was transferred to surplus account.

Extend B.A. Course At Regina College

From Our Own Correspondent

SASKATOON — The University of Saskatchewan's Regina College will soon have a three-year arts course leading to a bachelor's degree.

University President Dr. W. P. Thompson says present enrollment increases will soon overcrowd the main campus in Saskatoon.

Regina College now offers only the first year of the degree course of every college except law and medicine. The second year of the arts course is planned for 1961-62 and the final year "as soon as staff and buildings are available."

The university has decided a desirable level of enrollment in Saskatoon is between 7,000 and 8,000 students. This figure will be reached in five or six years.

Regina College now has 277 students enrolled.

Manitoba's Rye-Wheat Giant Step in Grain?

(CONTINUED FROM P. 1)

be made the basis for improvement and ultimately come up with a grain variety to yield on half the land area the same bushelage which comes from present strains.

One apparent drawback: It may have a longer growing and maturing period than most types of wheat.

Further testing and crossing may shorten it.

Simply stated: The process that takes place in nature strictly by chance has now been brought largely under human control.

The trial test plots show that some new species have an apparent yield potential far greater than bread wheat.

The work ahead is to explore the possibilities in hope of developing crops needed for the ever-increasing population.

The work in the university division of plant science which produced the new grain comes under the general heading of species building.

It started in 1954 when the university received a private endowment from **Joseph E. Seagram & Sons Ltd.** to establish the Rosner Research chair in agronomy, headed by Dr. B. C. Jenkins.

In view of the importance of wheat in the Canadian economy work was centred on wheat and its plant relatives in production of new species.

Before this, intensive work in the search for new and better varieties had been started by the university plant science department — headed by Dr. L. H. Shebeski.

This year the university farm has scores of test plots for development of new grain crops.

Not all the species in the display are original with the department, since considerable work has been made possible by co-operation of scientists in many parts of the world.

This year, the university has 100 acres of the new grain under test.

Last year only 11 lb. of it existed.

This was sent to California and the California crop was brought back and sown last spring in Manitoba, thus enabling the department to grow two generations in one year.

NEW COMPANY

Everpure of Canada Ltd., 159 Bay St., Toronto, is a new company specializing in biological purification, taste and odor removal on small water systems. The Everpure line of U. S. water purification equipment, which has been imported for the past 10 years, will be carried. Company has negotiated a national sales and manufacturing agreement. Robert P. Oliver, president, says importing will continue for the moment but plans for manufacturing in Canada are being undertaken.

Form Company For TV Films

Annett & Co., as underwriters, this week sold $500,000 6½% convertible sinking fund debentures of **Trans-Video Productions Ltd.,** in units consisting of a $1,000 debenture and 100 npv common shares. Price is $1,000 per unit.

Debentures mature July 15, 1969, and are convertible on the basis of $2.50 per share until 1964, and $5 until 1969. They are redeemable at company's option at a premium of 6½% for the first four years, the premium decreasing 1% annually until 1968.

Trans-Video's main operations are production of commercial, industrial and documentary movies, and of TV series to be sold to sponsors and networks in Canada, the U. S. and the U. K.

Executive Vice-President Robert Maxwell has produced such series as Superman, Lassie and Cannonball.

Company has leased its facilities from **Audio Pictures Ltd.** at an annual rental of $100,000.

Associates of Trans-Video are expected to apply for the Toronto TV licence. The group is understood to include Senator Joe Sullivan, Sir Ernest MacMillan and stockbroker Samuel 7 cks.

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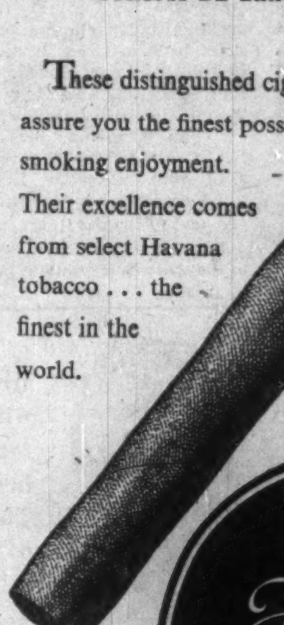

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Mr. A. F. M. Pronk, Managing Director of The Commercial Life Assurance Company of Canada announces the appointment of Mr. R. C. Kirkpatrick, C.L.U., to the position of Training Superintendent. Mr. Kirkpatrick is a graduate of the Life Insurance Marketing Institute of Purdue University in addition to a number of other courses in Agency Management and, prior to going to Commercial Life, enjoyed a successful career as a Branch Manager in the Maritimes.

Home Incinerator Battle Gets Hot

(CONTINUED FROM P. 1)

quire any extensive training to obtain efficient use from these devices," he said.

The Canadian Gas Association and American Gas Association have also jumped into the fray.

Domestic incinerators, they say, will:

- **End garbage collecting** and disposal problem of municipalities.

Only bottles and tin cans need be picked up and dumped.

- **Make the housewife happy** by wiping out the problem of messy, smelly and unhealthy garbage storage.

She need just drop garbage into an incinerator and watch it disappear.

The association's technical papers report that improved gas-fired incinerators are "essentially smokeless, odorless, fly-ash-free".

Although a proper modern civic incinerator gives off less effluent than domestic incinerators serving the same population, the difference is so small as to be chemically insignificant, says C. George Segeler, director of the utilization bureau of the A.G.A.

"Not so!" says H. A. Belyea, chief air pollution officer for Metropolitan Toronto.

If domestic incinerators are installed in Toronto homes, it will be "over my dead body", he said.

"Some cities have allowed them and they are extremely sorry," Mr. Belyea said.

Domestic incinerators, he said, are not economical or satisfactory to municipal pollution officials.

"In the laboratory they have got these things made so they work pretty good, when they are operated by skilled technicians."

"But they still do not work satisfactorily in practice."

Put into the hands of the average householder, it is not going to be operated properly, Mr. Belyea claimed.

"He is not going to stand around and watch it. His kids are going to use it. He is going to forget to turn on the gas. The incinerator will get old and not work as well."

The result, in his view: More air pollution.

Furthermore, Mr. Belyea said, the domestic gas incinerator will release its pollutants from a chimney 15 ft. to 20 ft. high.

"It could suck right down into the neighbor's kitchen window. It is not very appetizing."

A proper large municipal incinerator has a stack 200 ft. high, he said.

Municipalities will save some money in garbage collection, he admitted.

But they would have to increase their staff checking on the installation and operation of the new domestic incinerators.

"The air pollution division of Metro would have to put on extra staff of say 50 men, which might cost an extra $200,000 a year."

Also the householder would have to face higher gas bills and the prospect of installing a new incinerator after about five years.

The acids in garbage during burning rapidly corrode such equipment, Mr. Belyea said.

In comparison, a large municipal incinerator costing about $2.5 million and handling garbage from a population of about 250,000 would cost $100 a person and last perhaps 25 years.

The domestic incinerator for a family of three would cost about $70 a person but last only five years, he said.

He summarized: "The municipality might save a small amount on garbage collection which might reduce taxes, but the cost of these incinerators would be at least four times as much."

Mr. Belyea did see some benefits from the use of gas-fired domestic incinerators in farms where there is no garbage collection or in villages employing open garbage dumps.

Also he conceded they would produce less pollutants than coal or oil-fired apartment or institution incinerators.

For the town or city, however, twice weekly garbage collection and sanitary fill or municipal incinerators is the best system, Mr. Belyea said.

Mr. Belyea last month attended the Air Pollution Control Association annual convention in Los Angeles and was elected first vice-president.

Municipal pollution authorities from North America attending the convention agreed "unanimously as far as I know" with his objection to domestic incineration, Mr. Belyea said.

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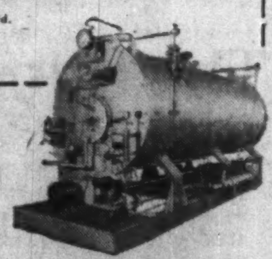
Consulting Engineers: Foundation of Canada Engineering Corp. Ltd.
General Contractors: Foundation Company of Canada Ltd.
Heating Contractors: J. Lewin Co., Inc.



* Starfire Automatic Boilers Reduce Costs and Breakdowns

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CANADA'S LEADING MANUFACTURER OF AUTOMATIC HEATING EQUIPMENT

Boost Output At Quebec Paper Plant

MONTREAL (Staff) — **Canadian International Paper** — already one of the nation's biggest newsprint makers — continues fast expansion and integration in kraft paper and board.

It plans an immediate start on a $10 million expansion at La Tuque, Que., which will include a machine with annual capacity of between 30,000 and 35,000 tons. Completion: In about 20 months.

This will boost present kraft paper and board capacity of about 115,000 tons by roughly 30%. CIP—subsidiary of **International Paper Co.** of the U. S. — is one of the country's largest paperboard companies.

The expansion will include a laminating machine to allow production of a heavier bleached board for such uses as drinking cups and food containers.

Steinberg's Signing Up Little Guys

(CONTINUED FROM P. 1)

ready boiling Canadian food chain war.

President Sam Steinberg explained the new project for **FP**: "There is a very real role to be played by the smaller grocery store. Some people like the personalized service. And of course not all areas can support a supermarket.

"We think that if the small stores are to survive the pressure of the supermarket chains they need many of the same sort of services the supermarkets have. We will offer those services to them."

Most retailers see the Ottawa experiment as a try-out for an important step in Quebec.

There the small independents are permitted to sell beer; Steinberg's and the other major chains are not allowed beer sales.

A working arrangement with the independents, retailers feel, could give Steinberg's at least a partial entry into that rich market.

On the other hand, it could also bring them into a head-on crash with Quebec provincial authorities who are dedicated to keeping the small family shops on their feet in the supermarket era.

Another important reason may be to keep the independents out of rival hands.

Sell $8,250,000 Bonds Of Steinberg's Properties

MONTREAL—(Staff) — An issue of $8,250,000 25-year 6% first mortgage sinking fund bonds, Series D, of **Steinberg's Properties Ltd.** is expected to be offered shortly by a syndicate headed by **Dominion Securities Corp.** and **H. C. Flood & Co.**

Price is expected to be 98 and accrued interest to yield 6.16%, it is understood.

Part of the proceeds is for acquisition by Steinberg's Properties of two completed supermarkets, a completed warehouse and seven locations on which six supermarkets and a warehouse are to be completed by early 1960. The properties are being purchased from **Ivanhoe Corp., Steinberg's Ltd.** and a subsidiary of Ivanhoe Corp.

Balance is to provide part of the anticipated cost of improvements planned for some of these properties.

Concurrently with issue of the first mortgage bonds, Steinberg's Properties will sell to Steinberg's Ltd. for cash an undisclosed number of 5% non-cumulative, redeemable non-voting preferred shares, $100 par.

The first mortgage bonds to be issued are callable at a premium of 5% to Aug. 1, 1960, the premium decreasing 0.2% annually to Aug. 2, 1982, and by a further 0.4% Aug. 2, 1983, and thereafter at par. They are not callable for refunding prior to Aug. 1, 1969.

Of the new properties covered by the financing, all but one are located in Quebec. The exception is one site in Eastview, Ont., an Ottawa suburb.

After giving effect to the issue, outstanding capitalization of Steinberg's Properties will comprise $20,079,000 in four series of first mortgage bonds; an undisclosed number of 5% non - cumulative redeemable non-voting preferred shares ($100 par) of which 70,000 are authorized; 1,000 npv common shares.

All outstanding preferred shares will be owned by Steinberg's Ltd. and Ivanhoe Corp., and all common shares by Ivanhoe. Ivanhoe, in turn, is 49% owned by Steinberg's Ltd.

Steinberg's Properties owns 27 completed supermarket properties and land at one location where a supermarket is being built.

Steinberg's Ltd. operates 108 supermarkets, 67 located in Quebec, 40 in Ontario and one in New Brunswick. A further 35 outlets are planned in Ontario, Quebec and the Maritimes during the next year.

Steinberg's Ltd. is forecasting sales of $178 million for the fiscal year ending in July, 1959. This includes sales of recently acquired **Ottawa Fruit Supply Ltd.** as well as supermarkets previously operated by **Grand Union-Carroll's Ltd.**

In the fiscal year ended in July, 1958, sales were $150.9 million.

Oshawa Wholesale Ltd. 'A' Stock Sold at $8.50

First public offering of stock of **Oshawa Wholesale Ltd.** has been oversubscribed.

An issue of 215,000 Class A non-voting shares has been sold at $8.50 by **Ross, Knowles & Co.**

Oshawa Wholesale is headed by Ray D. Wolfe, president and general manager (**FP**, July 11). His father, Maurice, and an uncle, Max, are vice-presidents. A brother, Leonard, is secretary, and another brother, Jack, is a director.

Under franchise from **Independent Grocers' Alliance Co.**, Oshawa Wholesale—a Toronto-based company — serves 118 IGA retail food markets in Ontario.

It also supplies 59 independent retail food markets, as well as industrial plants, hotels, restaurants and institutions.

A wholly owned subsidiary, **Owl Food Markets Ltd.**, operates newly acquired food stores until the parent company selects satisfactory IGA retail operators.

Ontario Produce Co., incorporated in 1931, became a wholly owned subsidiary of Oshawa Wholesale July 3, 1959. During the past year, it handled the equivalent of more than 3,000 railway carloads of domestic and imported produce.

Sales of Oshawa Wholesale have risen sharply during the past decade — from $7,770,007 in 1949 to $42,496,005 in 1958. Last year's net profit was a record $248,796, up 63% from 1957's $152,716.

In the 20 weeks ended June 13, 1959, sales amounted to $16,582,224, and net profit $128,558.

Proceeds of the new financing will be used for general corporate purposes.

After giving effect to the issue, capitalization consists of one million authorized, 429,266 outstanding Class A npv non-voting shares, and 164,000 authorized, 71,422 outstanding npv common shares.

No dividend may be paid on common shares in any year until a 10c non-cumulative dividend has been paid on Class A shares in the same year.

The two classes of stock would share equally in liquidation.

The 215,000 Class A shares were issued by Oshawa Wholesale to the underwriters at $7.75 per share. The same price will apply to purchases by employees through payroll deductions during the next two years.

Senior employees are to be granted options to buy up to 45,000 Class A shares at $8 until Sept. 1, 1964, under certain conditions.

Pro forma balance sheet at June 13, 1959, shows current assets of $4,662,749, net fixed assets of $610,184, and total assets of $6,013,289.

Current liabilities amounted to $2,982,772, and retained earnings to $778,765. There is no funded debt.

CONSTRUCTION SAFETY

Designed for on-the-job reference, a construction safety code book has been published by Construction Safety Associations, Toronto. There are 100 pages of pictures, diagrams, charts and sketches illustrating safety in the construction field. It also has detailed information on the proper care and safe handling of every item of construction equipment.

DIVIDEND NOTICE

THE ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY

NOTICE OF DIVIDEND

NOTICE is hereby given that a dividend of one and one-half per cent for the three months ending August 31st, 1959, (being at the rate of six per cent. per annum), has been declared on the outstanding 6% Cumulative Redeemable Convertible Preferred Shares of the Company, having a par value of $50.00 each, and will be payable on and after September 1st, 1959, to shareholders of record at the close of business on August 15th, 1959.

By Order of the Board,
G. S. SAUNDERSON,
Secretary.

Dated at Sault Ste. Marie, Ontario, July 24th, 1959.

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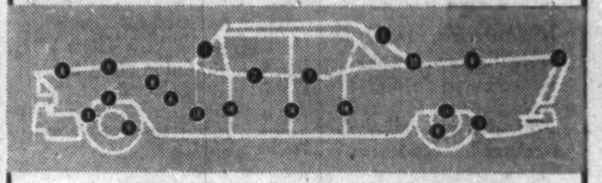

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9. Brake cup and boots
10. Fender Seals
11. Axle Bumpers
12. Tail Light Pads
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PLASTICS GENERAL RUBBER

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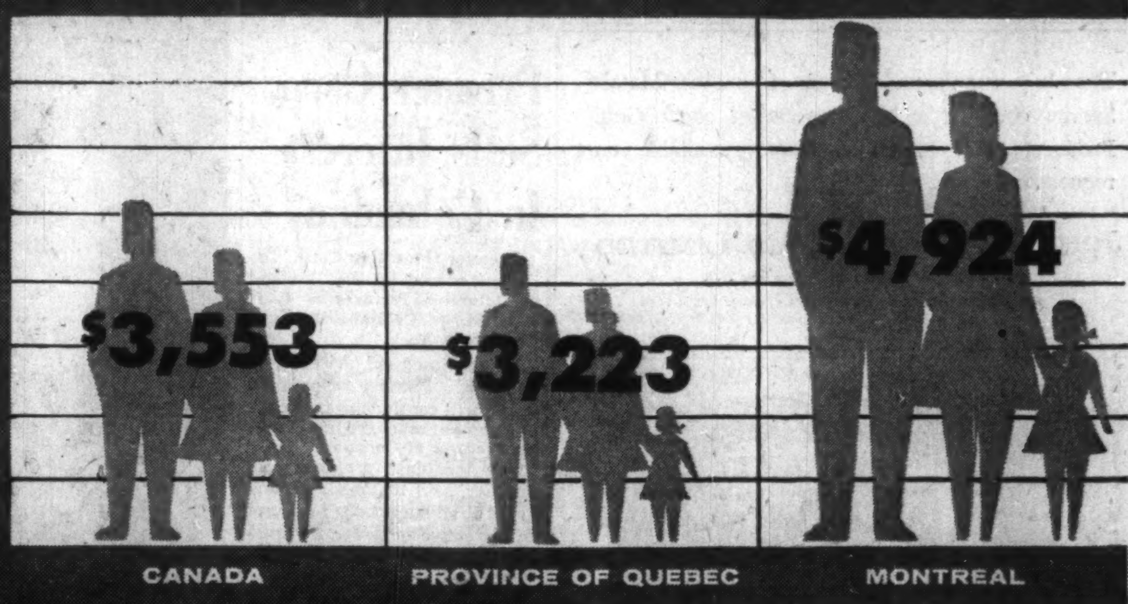
MONTREAL* tops National and Provincial Averages in

TOTAL EXPENDITURES PER FAMILY FOR 1958



LA PRESSE tops All Canadian Publications in

TOTAL DISPLAY ADVERTISING IN 1958

21,579,531 agate lines

P.S. LA PRESSE 2nd LARGEST DAILY CIRCULATION IN CANADA

*Source: Sales Management's 1958 Survey of Buying Power

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"PERFECT MILDNESS IN YOUR PIPE"

...Brahadi's smoking tobacco is a special "Cavendish" blend of Mild tobaccos. Comfortably satisfying ... a mild smoking tobacco with a delightful aroma. Brahadi's is available at select tobacco stores.

50¢ for 2 ounces

Suggested price.
Plus provincial tax where applicable.

ANNOUNCEMENT

B. W. BURGESS

The appointment of B. W. Burgess to the position of Secretary of the Pulp & Paper Research Institute of Canada is announced, on behalf of the Board of Directors, by Dr. L. R. Thiesmeyer, President.

Mr. Burgess holds a Master's degree in chemical engineering from Queen's University and has been associated with the pulp and paper industry for fifteen years, the last seven of which have been with the Research Institute in various technical and administrative posts.

The July supplement of our Canadian Metals Survey contains a brief review of some Gold Producers and Prospects. Copies available on request.

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How Plane Firms Stand On $300 Million Order

Here's what the government order for F-104G would mean to the big-three planemakers, how it would affect their future ...

MONTREAL (Staff)—What's the best sales pitch for the three main Canadian planemakers trying to land the $300 million order to build the F-104G?

Assuming the bids, which must be submitted by July 31, are pretty well equal, will the government give the contract to the company which needs it most?

Or is the order more likely to go to the firm with the brightest future?

There are some 10,000 jobs involved and at least a crack of future prosperity for one of the "big three".

If the contract is to go to the company with the biggest need, here is the case each can make:

• **AVRO** — Avro's position is now desperate. Loss of the Arrow contract sliced the payroll from about 15,000 to 2,000. The giant Malton plant is virtually idle. Thousands of trained men have been forced to take second-rate jobs or move out of the Toronto area.

• **CANADAIR**—While the payroll at the Montreal plant is now at the 9,500 level, major cuts are planned for fall.

It is unlikely that new orders for civil airliners will come quickly enough to offset the breakup of the existing work team.

Unless things take a marked change for the better, 1961 employment outlook is around 2,000.

• **De HAVILLAND** — Success of de Havilland's small bush planes makes it harder for the Downsview company to paint a picture of hardship.

But present production of the twin-engined Caribou still awaits the completion of lengthy U. S. Army acceptance trials. Meantime de Havilland is producing the S2F tracker for the RCN and would handle the F-104G as a "follow-on program" without any considerable plant expansion or addition to the payroll.

If the contract is going to mean support for the brightest looking team — rather than a crutch for the worst-off — the companies can use these arguments:

▸ **Avro** — The best original design team in Canada, one of the best in the world, was built up around the Arrow. It is still capable of great things if it could be re-assembled. There is growing world interest in vertical take-off hover craft, and Avro's flying saucer looks one of the most promising projects anywhere.

Given the F-104G to carry it through the next two years, Avro might become a world leader in the vertical take-off business.

▸ **Canadair** — The bid for world sales of the large CL-44 airliners and smaller CL-540 seems to be paying off.

Canadair has already sold $70 million worth of CL-44S and has a number of other customers who look interested.

With the cushion of the F-104G contract to keep the work force together into the early 1960s, Canadair stands a good chance of securing a sound commercial market that will earn the Canadian industry millions in overseas sales.

▸ **De Havilland** — Of the three, de Havilland has consistently won competitive orders on the world market with little or no reliance on taxpayers' funds. In the important rugged bush flying field it is the world leader.

The F-104G would allow it to expand during the next three years to be ready for increased civil and military bush sales.

Flying Boats To Bomb B.C. Forest Fires?

From Our Own Correspondent

VANCOUVER — Gigantic World War II Martin Mars flying boats may soon be water bombing forest fires in British Columbia.

MacMillan and Bloedel has an option on four of the four-engined aircraft until July 29.

Air Vice Marshal Leigh Stevenson of **Okanagan Helicopters** and a director of **Martin Paper**, is studying the feasibility of using the former U.S. Navy flying boats.

The 72-ton aircraft could carry about 7,000 gal. of water, compared with about 100 gal. now carried by the forest firm's Grumman Goose.

Some experts believe the four planes could carry enough water to strike out most fires.

Even if not able to extinguish large fires, the water bombs would raise humidity enough to assist other fire fighting forces.

Premier Corp. Sells Interest In Columbia

Premier Operating Corp., Toronto has sold its 50% interest in **Columbia Pictures of Canada Ltd.**, to **Columbia Pictures Corp.**, New York.

Louis Rosenfeld, vice-president of Premier Operating Corp., will continue as president and general manager of Columbia Pictures of Canada.

Jule Allen, president of Premier, said that his company found it advantageous to accept an attractive offer for the purpose of enlarging its expansion and diversification program.

Premier at present operates 50 theatres in Ontario and Quebec on behalf of **Theatre Holding Corp.**, a company in which **Famous Players Canadian Corp.**, owns 50%.

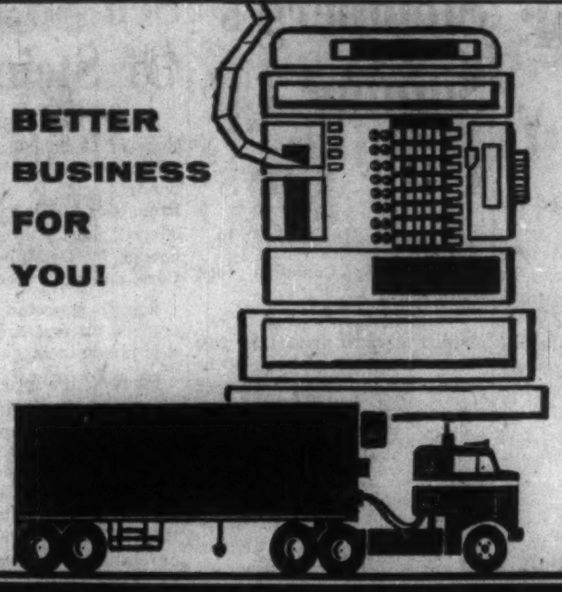
Recently Theatre Holding completed two theatres, a store and office building at Elliot Lake. Premier also has the theatre franchise for the new townsite under development at Thompson, Man., and a theatre is now under construction.

Premier owns one third interest in **Carlton Automatic Vendors**, of which one third is owned each by Famous Players and **Trans-Canada Distributing Co.**

Early this year the $1 million Elliot Lake Hotel at Elliot Lake was opened. The hotel is owned by Premier in partnership with **Paramount Construction Co.**, and is in line with Premier's policy of diversification.

TOWER SALE CLOSED

Title to Cleveland's 52-story Terminal Tower has been formally taken by **Terminal Tower Co.**, headed by Chairman L. G. Candler, 34, and Vice-President Monty M. Simmonds, 33, of Toronto (**FP**, Jan. 24). Price was $13 million. Simmonds' **Paramount Construction Co.**, in partnership with **Premier Operating Corp.**, recently opened a $1 million hotel at Elliot Lake, Ont.



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Offer faster service, guarantee delivery of freight in perfect condition, and you ring up more sales ... you have better marketing prospects —with the preference that grows from a reputation for reliable stock supplies.

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Hardee Farms Optimistic

The future of **Hardee Farms International Ltd.**, Toronto, appears bright and operating results in the current fiscal year to date exceed expectations, President Bram Dees told the annual meeting.

Approaches have been made by companies in the food field with a view to extending Hardee's activities further through merger or acquisition.

It is management's intention, however, to consolidate company's present position before embarking on any such projects, Mr. Dees said.

Present capacity of packaging facilities at subsidiary **Holland River Gardens Co.** is being doubled. The entire operation at Bradford, Ont., is being streamlined to achieve a more economical flow of products.

Work has also started at **Hardee Farms Ltd.**, near Sherrington, Que., on conversion of a dry storage warehouse into a cold storage plant which will provide refrigerated storage for some 3 million lb. of products.

Mexlight Names New Chairman

Gen. Maxwell D. Taylor, former chief of staff of the U.S. Army, will become chairman of the board of **Mexican Light & Power Co.** Oct. 1.

He succeeds William H. Draper, Jr., who is retiring. Mr. Draper will remain on the board of directors.

Eduardo Suárez, a director since 1955, has been appointed chairman of a newly-created finance committee. The chairman of the board and Mexlight's president are members of this committee ex officio.

Other members are Luis G. Legorreta and John W. Snyder.

Superior Prop. Net Up 44%

Superior Propane Ltd., Toronto, consolidated net profit for six months ended May 31, 1959, was 44% higher than a year ago, equal to 38c per common share (24c a year ago).

Gross revenue for the period was up 27%.

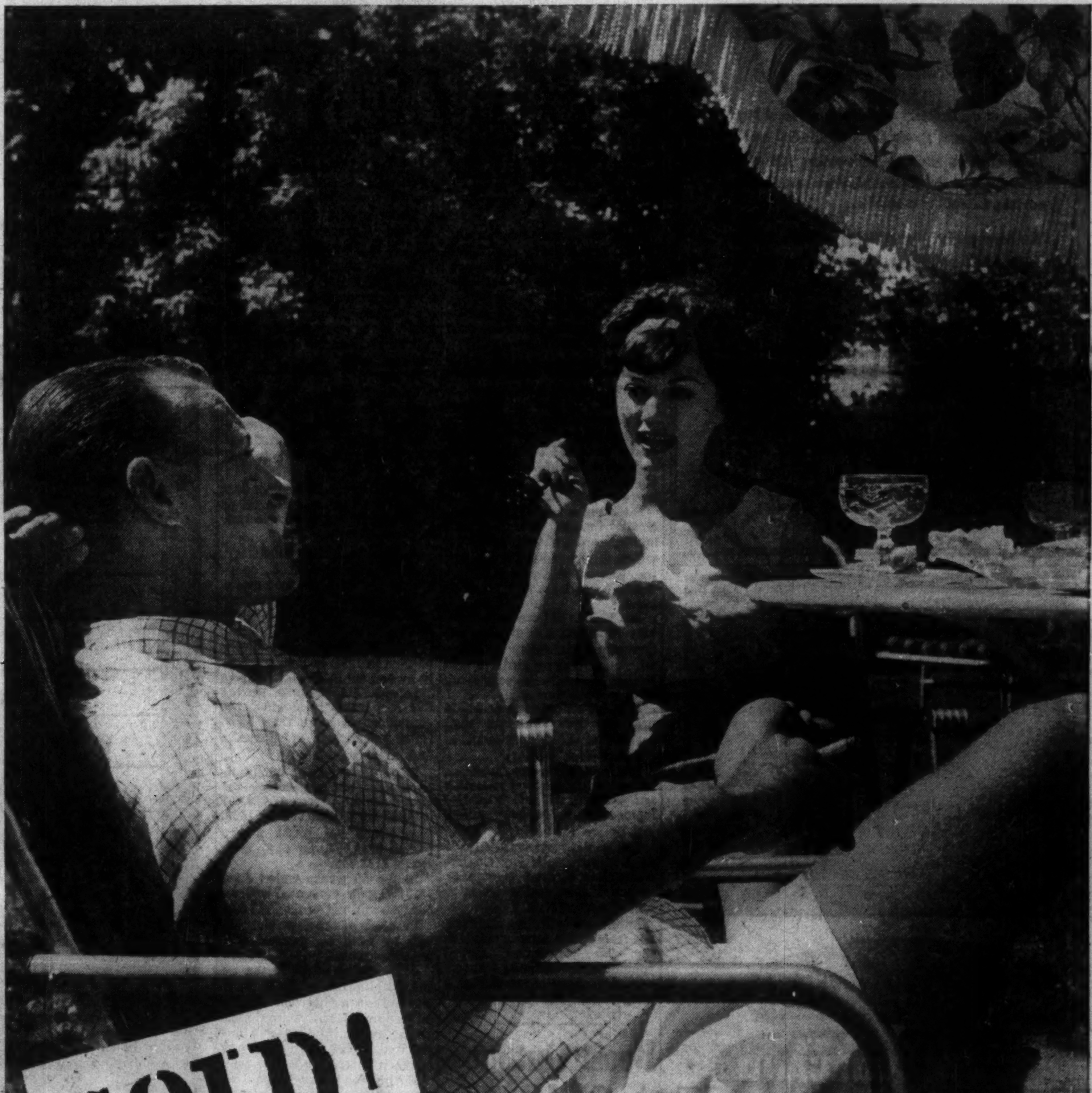
Company purchased several new properties earlier this year (**FP**, April 25) and management anticipates that these acquisitions will add greatly to the sales and profit picture in the second half of this fiscal year.

The population in suburban or fringe regions, Superior's main marketing area, has been growing at a rate many times that of the city areas Chairman Marshall Rawle and President Allan A. Rowan-Legg say.

In addition, many new industrial and commercial demands plus new farm uses are constantly expanding, they report.

6 mos. ended May 31:	1959	1958
	$	$
Gross revenue	3,448,276	2,724,537
Less: cost of sales	2,634,658	2,129,568
Expenses	467,813	372,281
Taxes	85,817	21,878
Curr. tax reduction*	90,400	83,000
Net profit	169,588	117,807

*Applicable to future, resulting from intention to claim capital cost allowance in excess of depreciation recorded in accounts for period.



by an advertisement in The Star Weekly

Cool cucumber sandwiches, a summertime dessert and a refreshing beverage. That's the ticket this time of year. Easy to prepare, too. She got the dessert idea from an advertisement she'd seen in The Star Weekly. Now, she serves it quite often. She's sold. Sold by an advertisement in The Star Weekly.

Many products are family products. All members of the family are interested in them. The Star Weekly, with its four big sections has something of interest for all members of the family (see The Star Weekly Readership Study No. 2). That's why more than 500 leading advertisers place their advertising in the high readership pages of The Star Weekly.

SELL YOUR PRODUCT IN VOLUME AT LOW COST IN THE STAR WEEKLY

ANNOUNCEMENT

R. P. McLean heads Royalite Metal Furniture Co. Ltd., successor to Joseph Sankey (Canada) Ltd.

Announcement that Royalite Metal Furniture Co. Ltd., is the successor to Joseph Sankey (Canada) Ltd., Smiths Falls, is made by R. P. McLean, President of the new company. Mr. McLean, who is also Vice-President and General Manager of Royal Metal Manufacturing Co. Ltd., has many years of successful experience in the manufacturing and marketing of all types of metal furniture, other than domestic. Royalite Metal Furniture Co. Ltd. will continue to operate the Joseph Sankey Plant in Smiths Falls and plans are well advanced for diversification and extension of lines manufactured.

Envelopes...your calling cards by mail!

You'll make a strong impression with "SAFETY SEAL"

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Halifax • Montreal • Toronto
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ANNOUNCEMENT

ELECTED PRESIDENT

I. J. HAMMILL

John F. Kidde, chairman of the board, Walter Kidde & Company of Canada Ltd., announces that I. J. Hammill has been elected president and chief executive officer of the company. He formerly served as executive vice president and managing director.

Mr. Hammill joined Walter Kidde & Company, Inc. (Belleville, N.J.) twenty years ago and moved to Kidde of Canada in 1957.

A graduate of Stevens Institute of Technology, he is a member of the University Club of Montreal, the Canadian Aeronautical Institute, and the Engineering Institute of Canada. He resides at Town of Baie D'Urfee, Quebec.

Manitoba Doctors Widen Health Plan

New prepaid, non-profit scheme aimed to give broader medical coverage among higher income groups . . .

From Our Own Correspondent

WINNIPEG — Certain higher income groups in Manitoba may have to pay more for prepaid medical care if the provincial legislature passes a bill proposed by **Manitoba Health Service Inc.**

MHS, incorporated in 1942 as a voluntary prepaid medical plan, seeks to set up a non-profit subsidiary indemnity company with power to issue contracts covering major medical costs, private or semi-private hospital accommodation, nursing services and drugs.

This is the first time a voluntary, non-profit, prepaid medical plan has attempted to extend its operations to include hospital accommodation, major medical costs and the costs of nursing services and drugs, insurance men say.

Rates will be determined by the proposed subsidiary on an actuarial basis and contracts will be available to those whose incomes are considered high enough to pay for these services at standard rates.

An income floor of $10,000 has been suggested but not specified in the bill. The level may be higher or lower.

The plan is not intended to disturb the protection already provided by MHS for lower income groups against the heavy expenses which may result from serious or prolonged illness.

This is to be continued at a cost which will allow the largest possible number of lower income persons to participate.

MHS feels that there is a need for a wider and more flexible coverage, particularly among the higher income groups.

It acknowledges that this protection is already provided by many private insurers, but feels that by operating on a non-profit basis it could give equal service for less cost.

What it appears to be after is a more equitable rescaling of rates in relation to a member's ability to pay.

MHS records show that higher income members utilize out-of-hospital benefits to a much greater extent than lower income groups. They consult doctors more frequently.

With respect to hospitalization, the reverse is the case.

Another problem facing MHS has been the growing competition in the accident and sickness field from the insurance companies.

These companies have the advantage of being able to write indemnity contracts for a full line of medical and health services. They attract the moderate and higher income groups and tend to reduce their participation in the cover provided by MHS.

Last year, MHS had 327,000 subscribers on its lists. Income amounted to $7.7 million. Bills rendered by the 900-odd physician members at the standard rate of medical charges came to $8.9 million. Operating costs were about 6.5%.

Since it was set up, MHS has paid doctors only a percentage of their bills, prorated from year to year on the basis of service revenues and expenditures. Last year doctors received only 82.5% of their rendered bills.

The proposed subsidiary company, it is understood, will be known as **United Insurance Corp.** It will have an authorized capital of 20 non-participating common shares and 2,980 non-voting, non-cumulative 6% preferred shares, all of $100 par value.

The bill has received second reading — approval in principle — from the Manitoba Legislature, and is now before the House committee on private bills.

While the insurance industry is withholding its opinion until more details of the plan are available, **a spokesman said that he could see no objection to the competition if it is operated on a more or less equal footing and without subsidy.**

To the suggestion that the proposal involved some sort of means test through the introduction of an income floor, it was pointed out that this already exists in at least one similar organization — **Physicians' Services Inc.** in Ontario — where general practitioners can charge more to members whose incomes are over set minimums.

One important thing to note about the bill now before the Manitoba Legislature is that, if passed, it only stands as permissive legislation.

Dr. J. C. MacMaster, executive director of MHS, told **FP** that his organization is not at all sure at the moment what form the contracts actually offered will take.

Survey is being conducted in Greater Winnipeg to find out exactly what it is people want in the way of additional health coverage, he said. Results of this sampling will not be known until later next month.

Too much stress, he feels, has been placed on the proposed bill, and there have been too many misinterpretations of its intent.

He criticized reports that the main intent of setting up the indemnity subsidiary was to bail MHS out of financial difficulties. MHS has always operated at a loss, he said. It was never expected that the doctors would receive 100% of their bills rendered, but last year's 82.5% was higher than they had received in the past.

All MHS is interested in, Dr. MacMaster says, is providing a more adequate coverage for its 327,000 members — close to half Manitoba's population — at as low cost as possible.

Elect New Board To Blue Crown

From Our Own Correspondent

CALGARY — A proxy fight led by Dr. Gregory Poloynis, Taft, Calif. resulted in a complete change in the board of directors for **Blue Crown Petroleums Ltd.**, Calgary.

Dr. Poloynis was elected president and director of the company following a shareholders' meeting this week, succeeding Philip P. Walters, Calgary.

Other members of the board are: Hamilton Anderson, Vancouver, secretary-treasurer; Kevin Tuohy, Los Angeles, Calif.; William Bentz and Achilles Poloynis, both of Bakersfield, Calif.; James Mizell and Thomas Moore, both of Taft.

"We will bring in California money to get the company rolling properly again," Dr. Poloynis said.

Blue Crown, organized in 1951, holds 10% interest in approximately 110,000 acres of permit land in the Kotcho Lake area in northeastern British Columbia; a 50% interest in five wells (estimated gas reserves 8 billion cu. ft.) in Namao field in northern Alberta; a 50% interest in 3,840 acres under gas lease in the Boyle-Amisk Lake area in Alberta; and interest of 55% in **Vermillion Consolidated Oils.**

CANADIAN DREDGE & DOCK CO. new subdivided common shares (1½ new for one old share) were listed July 8. Ticker symbol "CND new".

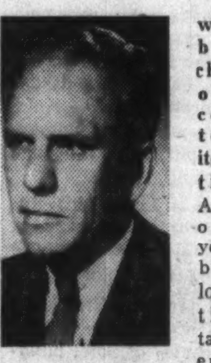
New Chairman For Northern Ontario Body

Donald F. Taylor has been appointed chairman of the Northern Economic Development Committee. He succeeds F. J. Lyle.

TAYLOR

Mr. Taylor was formerly chief planner of the Community Planning branch of the Planning and Development department.

A native of New Brunswick, he graduated from the University of New Brunswick in 1947 and joined the New Brunswick Department of Industry and Reconstruction. He has been with the Ontario government since 1953.



LYLE

Mr. Lyle, who has been chairman of the committee since its formation in April of this year, has been loaned by the Ontario government to work with the International Economic and Technical Assistance branch of the federal Department of Trade and Commerce on planning programs for South-East Asia.

CANADIAN HYDROCARBONS has granted additional option to key employees covering 200 shares at $9.50 a share, exercisable on or before June 26, 1961.

More air-conditioned rooms than any hotel in Toronto

Air-conditioned single rooms from $8.50 ... with twin beds from $13.00.

KING EDWARD SHERATON Hotel Toronto, Ont.

"Free Parking for Registered Guests"

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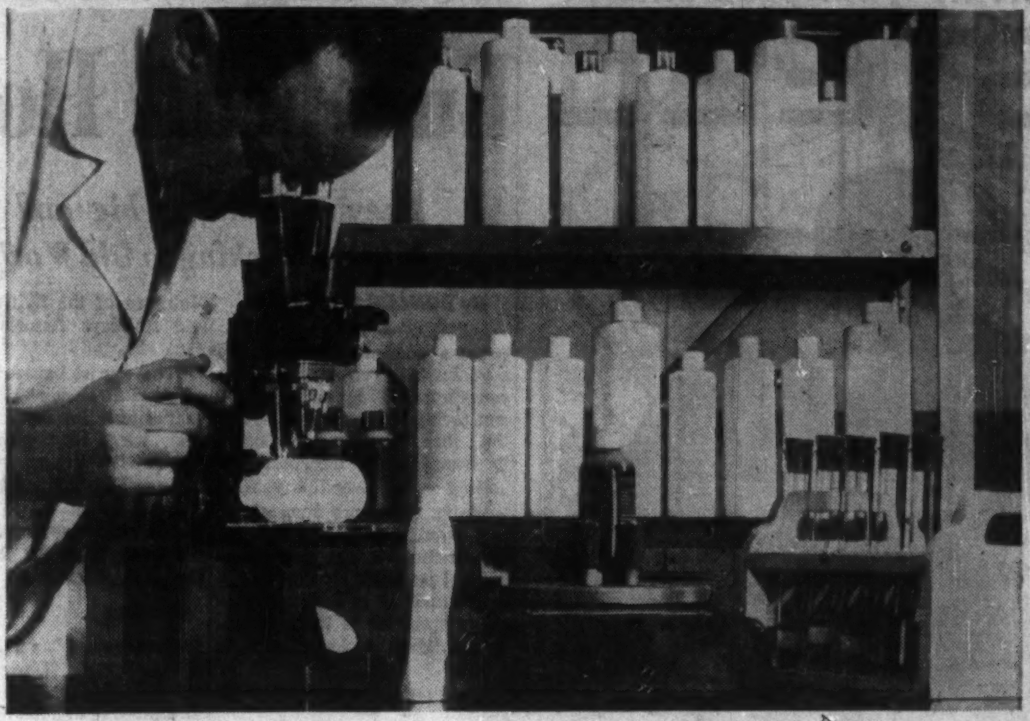
W. DOUGLAS CROWE

GARRY M. SAVAGE

The Investment Securities Division of Osler, Hammond & Nanton Limited has announced the appointments of Mr. W. Douglas Crowe as Assistant Manager of the Vancouver office and Mr. Garry M. Savage as Manager of the Saskatoon office, succeeding Mr. Crowe. Both promotions were effective 15th July, 1959.

PLAX RESEARCH — ONE IMPORTANT REASON WHY PLAX IS CANADA'S LEADING MANUFACTURER OF PLASTIC BOTTLES



PLAX offers far-reaching merchandising and research services

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And you can draw on PLAX years of experience for advice on merchandising and technical problems as they apply to packaging your product in polyethylene bottles.

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Obviously only part of the story can be told here. If you would like complete details on how PLAX can benefit your product, please contact

PLAX CANADA LIMITED
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255 Decarie Boulevard, Ville St. Laurent, P.Q.
873 Beatty Street, Vancouver 3, B.C.

New Issue

$50,000,000

Province of Ontario

5½% Debentures, to mature August 15, 1969
5½% Debentures, to mature August 15, 1979

To be dated August 15, 1959

Principal and half-yearly interest (February 15, and August 15) payable in lawful money of Canada at the holder's option at any branch of the Province's bankers in Ontario, or in any of the Cities of St. John's, Halifax, Charlottetown, Saint John, Quebec, Montreal, Winnipeg, Regina, Calgary, Edmonton, Vancouver and Victoria. Coupon Debentures for both maturities registrable as to principal only in denominations of $500, $1,000, $5,000 and $25,000. Fully registered Debentures for both maturities in denominations of $1,000, $5,000, $10,000 and $100,000.

The Debentures due August 15, 1969 will not be redeemable prior to maturity and the Debentures due August 15, 1979 will be redeemable as a whole but not in part on thirty days' notice on August 15, 1977, or on any interest date thereafter at 100 and accrued interest.

Legal Opinion: Messrs. Daly, Harvey & Cooper.

In the opinion of Counsel these Debentures will be direct obligations of the Province of Ontario, and principal and interest will be payable out of the Consolidated Revenue Fund of the Province. The proceeds of this issue are to be used for the purposes referred to in The Ontario Loan Act, 1958.

Information regarding the financial position of the Province will be found in the official circular, which is available upon request.

It is expected that interim Debentures in bearer form in denominations of $500, $1,000, $5,000 and $25,000 will be ready for delivery on or about August 17, 1959. We, as principals, offer these Debentures, if, as and when issued and accepted by us, subject to prior sale and subject to the approval of Counsel.

Prices:

1969 maturity: 100.00 and interest* to yield 5.50%
1979 maturity: 98.50 and interest* to yield about 5.62%

*No accrued interest in respect of Debentures purchased and paid for on or before August 17, 1959

Wood, Gundy & Company Limited
A. E. Ames & Co. Limited
Dominion Securities Corpn. Limited
McLeod, Young, Weir & Company Limited
Bell, Gouinlock & Company, Limited
Mills, Spence & Co. Limited

Royal Securities Corporation Limited
Harris & Partners Limited
Equitable Securities Canada Limited
W. C. Pitfield & Company, Limited
Collier, Norris & Quinlan Limited
Anderson & Company Limited
Brawley, Cathers & Company

Midland Securities Corpn. Limited
Burns Bros. & Denton Limited
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Fry & Company Limited
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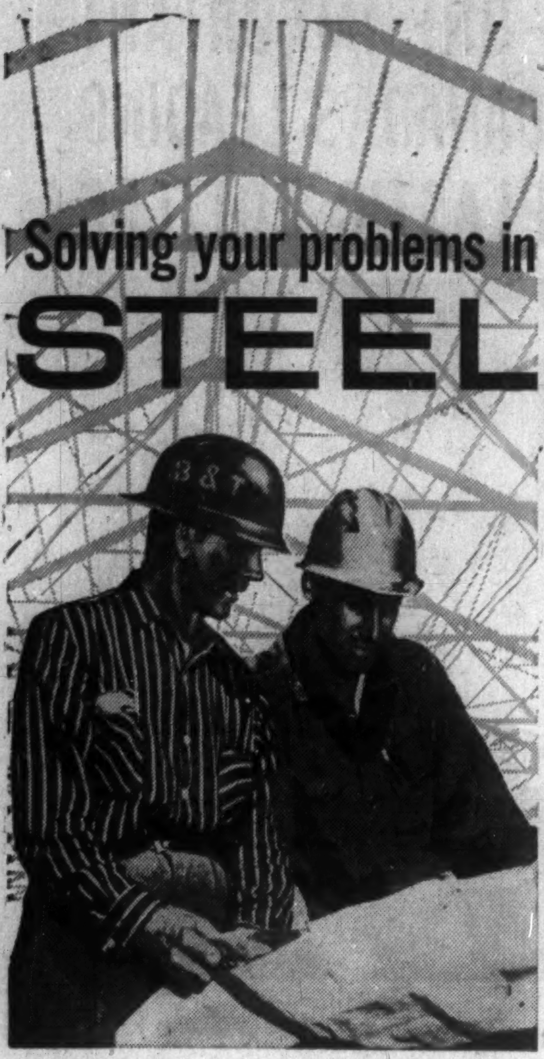
R. A. Daly & Company Limited
Bankers Bond Corporation Limited
Matthews & Company Limited
Bartlett, Cayley & Company Limited
Flemming & Company

The information contained in this advertisement is based upon statements on which we have relied. We do not guarantee but believe the information herein to be true.



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2023

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To obtain these exclusive, informative studies, simply attach $2.00 to this advertisement and mail it with your name and address (PLEASE PRINT). The Reports will be sent to you in two groups: the first three on July 31st and the last three on August 31st.

BABSON'S CANADIAN REPORTS LIMITED
601 Harbour Commission Building
Toronto, Canada

ANNOUNCEMENT

STEINBERG'S APPOINTMENTS

LEO GOLDFARB

COLIN RAE

The President of Steinberg's Limited, Mr. Sam Steinberg, has announced the appointment of Mr. Leo Goldfarb as Director of Development and Expansion, in addition to his position as Director of the Real Estate Division. He is also the Managing Director of [illegible] [illegible]ated company of Steinberg's Limited, engaged in the development of Shopping Centres.

Mr. Steinberg also announced the appointment of Mr. Colin Rae to the position of Director of Construction, in addition to his position as head of Store Planning and Design.

POST TRAVEL BUREAU

Where to go - how to go - where to stay

Jet Age Travel Peps European Hotel Boom

They're building big and fast in Europe for tourists flocking to Old World in new jet fleets . . .

By DONALD R. GORDON

LONDON — The contrast between a modern jet airliner and a quaint 16th century inn gives you a nutshell idea of the problem facing Europe's hoteliers in the face of the revolution in transAtlantic transportation getting under way this year.

While there are exceptions, and notable ones at that, the introduction of the new commercial jet fleets by most of the major airlines is posing frightening problems in terms of accommodation and patterns of travel.

Consider these forecasts:

• **From BOAC:** "We think it not unreasonable to suppose our 1958 traffic figures might be doubled five years from now."

• **Pan-American:** "So far this year, with the 707 jets on our routes, we're up 200% on last year's Atlantic travel."

• **Air France:** "We've more traffic than ever in the past, traffic that will of course increase." Jets to London scheduled for July.

• **TWA:** Jets due for service to the U. K. by September. "In the U. S., since we put jets on, bookings have been 95%-100%. The traffic figures are tremendous."

• **TCA:** 127-passenger DC8 jets due in 1960. Traffic already described as "best ever" in TCA transAtlantic history.

All told, on the basis of present trends and bookings, transAtlantic operators see an up-to-20% increase in their 1.2 million passenger total last year. And as the fleets of 140-170 passenger jets build over the next five years the lure of added speed plus expected lower fares promises continuing gains.

In addition, new ships for the Atlantic run — 14 are reported between the planning and launching stage right now — are expected to add extra thousands to seagoing travel totals.

But a bottleneck could strangle this boom. On present figures and building plans, few countries in Europe right now are anywhere close to the goal of providing the necessary increases in accommodation to meet the demand.

"Within two or three years we will have reached the saturation point with the hotel position as it is now," Cameron A. McIntyre of the British Travel and Holidays Association told **FP.**

"The tourist industry has increased a steady 10% every year since the war. For this year, we're having to use the slogan 'It's better, remember, in June and September'."

An array of government and privately sponsored schemes are being tried out throughout the U. K. and Europe.

Samples:

• **Government subsidies:** France, West Germany and Italy provide government loans interest-free to hotel developers. The results are reflected in the estimated 30% increase in new capacity since the war. Pressure is being applied for similar aid in the U. K. too, either through tax rebates or direct subsidy.

• **Conversions and modernization:** Neatly bypassing a lot of the planning roadblocks, developers everywhere are putting substantial sums into existing properties. By adding extra rooms, improving established ones, it's estimated that the amount of first or second class hotel accommodation could be doubled.

• **Airline action:** Pan American has set up a subsidiary, **Intercontinental Hotels Corp.,** to build its own hotels where tight space problems exist.

Intercontinental operates 15 hotels, has plans for a new 500-room unit in Vienna.

Similarly, **SAS** is investing close to $5 million in a Copenhagen airport hotel, may take a flier at others as conditions demand.

At BOAC, Chairman Sir Gerard D'Erlanger has announced that the government airline is "seriously considering" building its own hotels, "so embarrassing has this shortage been to ourselves in BOAC at times."

• **Motels:** In the U. K. particularly, the motel idea is being given a major tryout despite the relatively shorter traveling distances. Officials of **Graham Lyon Motels,** operating units outside Dover, on the Southampton Road and on the Exeter bypass, say success has contributed to plans now under way for a group of 12 motels throughout England.

Says Col. William Atkins of Graham Lyon:

"There have been suggestions here of Canadian funds being available for motels. From our experience, I think it's a particularly favorable field."

On the continent, motels are also being put up in Italy and West Germany.

Main appeal: Lower unit costs and overheads, better chance of securing North American capital.

• **Airport projects:** Practically all of the major airports have been the centre of hotel building schemes since the war. With a fair sized fixed market from stopover crews, growing passenger walk-through traffic, good tie-ins with airline offices and stores, they're regarded on a par with the old railway hotel schemes that paid off so handsomely 50-75 years ago.

Louis Epstein, chairman of **Seaway Hotels,** George Gardiner, TSE member, and Benson and Charles Orenstein have finance construction of an estimated $2.8 million, 264-bedroom hotel at London Airport.

In a recent interview, Epstein said that if the London operation proves successful, the Canadian group will also consider building at other U. K. airports including Prestwick and Gatwick.

Similarly, the big U. K. catering firm, **J. Lyons & Co.,** is financing a 185 bedroom three-story, doughnut shaped hotel at London Airport, expected to be opened in about two years.

And, working usually on a centre development basis, including office buildings, shopping areas and hotels in one major unit, a number of regular hotel projects are at various stages of completion.

They range from new multi-million-dollar Hilton hotels built or planned in Cairo, Berlin, Athens, Rome, Amsterdam (plus the $8.4 million project with Charles Clore in London) to a variety of smaller hotels such as The Dragon in Swansea, Wales ($1.4 million plus), a Manchester office-stores-hotel project tagged at about $9 million altogether, and a 50-room coaching hotel at Dover.

But with all the hotels now under construction, planned or even hinted at, the demand is not likely to be met.

In London alone, it's estimated that less than half of the extra demand expected for next year will be met with additional space.

And by the time the jet boom really starts making its mark—1961-62 in particular — travel agents say European travel may be so congested that waiting lists will have to be introduced for the first time.

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VANCOUVER: MUtual 1-9321

Tankoos Yarmon Leases Hotel In Florida Deal

Tankoos Yarmon Ltd., and its U.S. affiliate, **Tankoos & Co.,** through its newly-formed subsidiary, **International Hotels Inc.,** has just leased the Colony Hotel in Palm Beach, Fla., in a long-term $1.5 million deal.

International Hotels is now looking for other hotel properties in the U.S., Canada and South America.

Elliott N. Yarmon, president of Tankoos Yarmon, is chairman of the new company.

Mr. Yarmon said a large-scale renovation and improvement program is scheduled for the Colony.

While major activities of Tankoos Yarmon and Tankoos & Co., are in Canada, the two companies have also acquired about $7 million of real estate in Venezuela and will soon complete a $5 million office building in Maracaibo.

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Travel Tips

PLAN - YOUR - OWN package tour of Mexico is offered by **Travel Plans Tours Ltd.** of Toronto. Tours may be long or short and include sightseeing, special features (bullfights when available), limousine or air travel from city to city. Typical tour, including three nights in Mexico City, one night in Taxco, five nights in Acapulco costs $150 per person (based on two to a hotel room), plus return air fare from Canada to Mexico. A popular four-day extension to Oaxaca costs $111 per person.

• • •

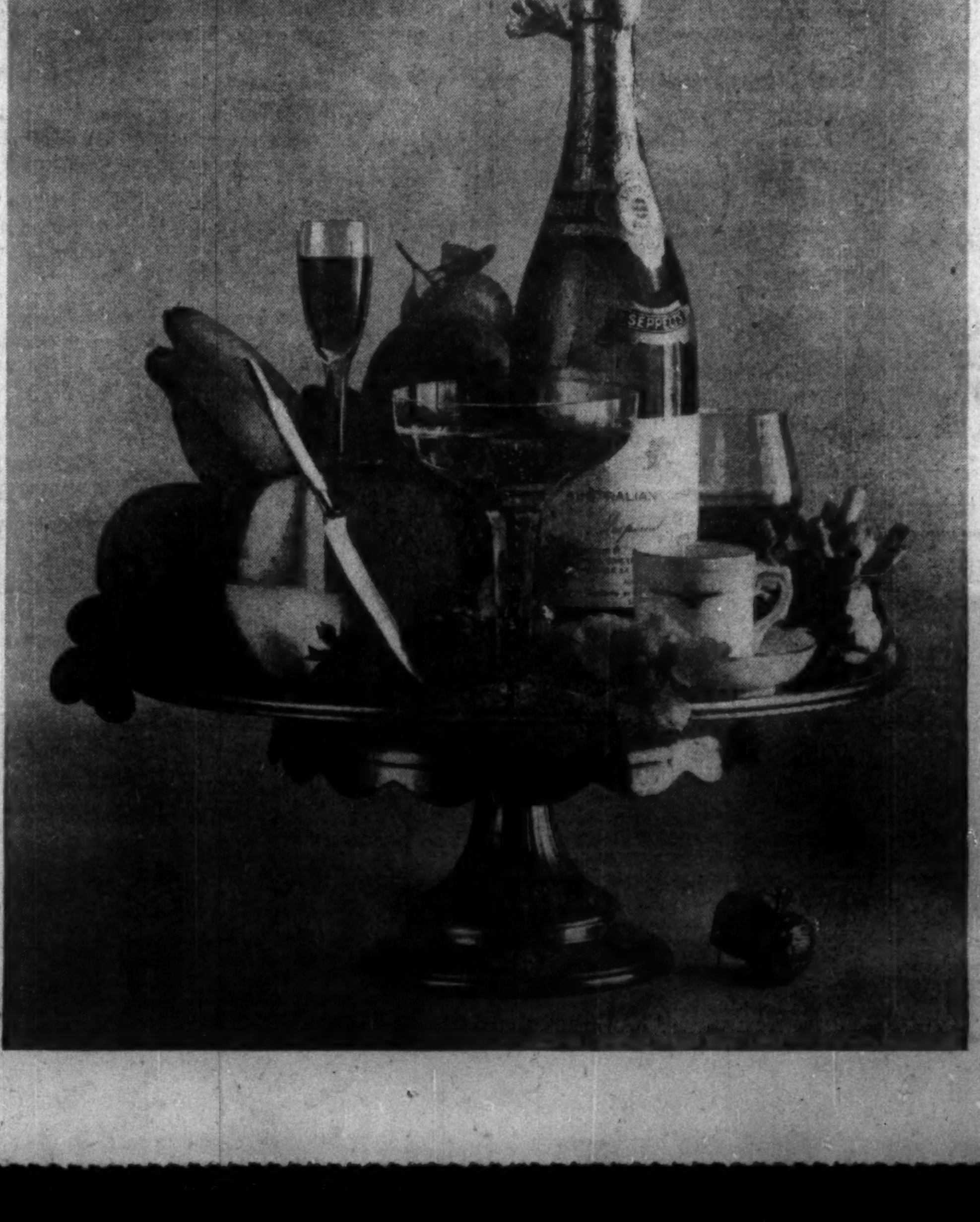
A NEW PROVINCIAL park is being established by the Ontario government on 500 acres of land bordering the Ottawa and Carp rivers. The new park has about 8,000 ft. of shoreline and includes a 5½-acre island known as Butternut Island. Development of roads and picnic sites, shelters, bath houses etc. should be far enough along for use by campers next spring.

• • •

WEEKEND THEATRE tour to New York offered jointly by **American Airlines** and **Waldorf-Astoria Hotel** includes accommodation, orchestra seats for one evening and one matinee Broadway performance, dinner, evening entertainment, Sunday breakfast in your room. Cost: $61 per person for three days, $81.50 for four days, plus air fare.

• • •

NEW AIRLINE to begin operations within Florida in September: **Tropical Airlines, Inc.** With headquarters in Lake Wales, the airline will serve 16 "Sunshine State" cities. Aircraft: Nine-passenger **De Havilland Doves.**



This is a picture of the mighty QANTAS Jet!

Starting July 29th, the Qantas 707 Jets soar skyward! Across the Atlantic to Europe. Across the Pacific to Australia. Eastward *and* westward to lands a world away!

So you'd think we'd show a thunderous photo of the plane itself. And write some wide-eyed words about the swiftness, the smoothness, the serenity of its flight.

But we haven't—because you *know* all that.

Instead, we're showing things you may *not* know about the Qantas version of this fabulous plane. Little things, really. But together, they add up to something bigger than the biggest Jet. Something filled with warm and worldly luxury you've never known in any other flight.

That's why we put them in this picture. And starting July 29th, may we put *you* in it, too?

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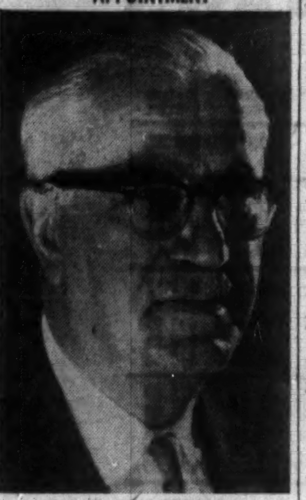
Winnipeg: Childs Bldg., 211 Portage Ave. WH 2-2191

ANNOUNCEMENT
H & C EQUIPMENT CO. LTD.
APPOINTMENT



F. W. MOSS (P.ENG.)

H & C Equipment Co. Ltd., sponsored by Harrisons & Crosfield Limited, London, England, is setting up a Canadian-wide distributorship to sell and service construction, mining, and engineering equipment.

Mr. H. J. Williams, president of H & C Equipment Co. Ltd., announces the appointment of F. W. Bert Moss as managing director. Mr. Moss will be responsible for the organization and operation of the company.

Japan Clamps Quotas On Exports to Canada

Toyko bows to Ottawa's insistence for curbs on booming Japanese plywood and flatware sales here. Quotas on garments may follow . . .

OTTAWA (Staff) — At the insistence of the Canadian Government, and not without misgivings, Japan has clamped quotas on two fast-growing exports to this country: Mahogany plywood and table flatware.

Japanese sales quotas of these two items in Canada this year will be based on sales totals last year, $3.4 million and $1.4 million respectively.

Japan is also preparing quotas on exports to Canada of about a dozen kinds of garments made from spun rayon and mixtures of rayon and cotton.

Reason: Big increases in exports to Canada of all three items in the last 18 months.

- Japan's exports to Canada of stainless steel knives, forks and spoons in 1958 were 61% up on exports in 1957. And in the first quarter of 1959, exports of these items were a further 58% up on exports in the first quarter of 1958.
- Our purchases of Japanese mahogany plywood last year were 29% up on purchases in 1957. And our purchases in the first quarter of 1959 were a further 64% up on purchases in the corresponding period last year.

Increases in Japanese exports to Canada of the synthetic rayon items have been even more spectacular.

- Our imports of Japanese spun rayon garments last year totaled $2.8 million, 89% up on imports in 1957.
- Because the garment trade expected quotas on Japanese spun rayon garments, imports in the first quarter of this year were $1.6 million, up 250% on imports in the corresponding period a year earlier.

Three years ago, Japan began a system of "voluntary export quotas" on cotton fabric exports to the U. S. and Canada because the U. S. and Canadian textile industries clamored for them.

It was obvious that if Japan didn't apply export quotas, Canada at least would raise import barriers.

The system has worked without too much dissatisfaction on either side. Under quotas, Japan's exports of cotton fabrics moved from 16.8 million sq. yd. to a target of about 20 million sq. yd. this year.

Japan put some rayon exports — blouses and sport shirts, slacks and coats and knitwear — on quota to Canada a year ago. But most rayon exports to Canada remained outside the quota system.

Because of the increasing Japanese rayon imports in the first quarter of 1959, the Canadian textile industry complained to the Government and Japan was asked to apply quotas. Exports of rayon garments to Canada were suspended last month pending quota discussions now going on.

From time to time, Japanese trade associations have threatened retaliation against the quota system, pointing out that Japanese purchases from Canada habitually exceed sales here. Japan is our biggest wheat customer after the U. K. The Japanese Government has never echoed the protests.

Last year, our exports to Japan totaled $104 million (wheat $63 million); our imports from Japan were $70 million.

Our Japanese textile imports came to $24 million, 6% of our total textile imports. Domestic garment market is about $1.4 billion.

The trade balance will shift further in our favor this year: Japanese steel interests recently signed a $1.5 million contract for the purchase of Canadian coking coal (**FP**, April 25); and the coal purchases will probably move up to $4 million next year.

Seek Second Trans-Canada In the West

From Our Own Correspondent

SASKATOON — Interest is mounting on the Prairies in a second trans-Canada highway through the Yellowhead Pass.

Petitions are being circulated in the four western provinces with a view to getting support for the second route.

The petitions will be presented Aug. 24 at Kamloops, B.C., to Justice Minister Fulton and B. C. Minister of Highways, P. A. Gaglardi.

The new highway would, in effect, link Winnipeg and Vancouver through Portage la Prairie, Yorkton, Saskatoon, North Battleford and Lloydminster, Edmonton and Jasper, through the Yellowhead Pass and Kamloops.

Civic officials and boards of trade in these centres claim a new route through the central section of the prairies and British Columbia would lower freight rates and bring new business.

Spearheading the drive: Yellowhead Route Association, which has been pressing for years for the highway. A motor cavalcade will leave Edmonton Aug. 22 to lend weight to the submission to Fulton and Gaglardi.

Name Commission In Saskatchewan

From Our Own Correspondent

SASKATOON—Five men have been named to the South Saskatchewan River Development Commission to oversee planning and development of the $184 million project 60 mi. south of Saskatoon.

The members;

Dr. C. D. Stewart, head of the Department of Agricultural Engineering, University of Saskatchewan, chairman; T. K. Shoyama, secretary, Saskatchewan Economic Advisory and Planning Board; Dr. L. E. Kirk, former Dean of Agriculture, University of Saskatchewan; David Cass-Beggs, general manager, **Saskatchewan Power Corp.**; W. H. Horner, deputy minister of Agriculture. A sixth member, a farmer, will be appointed later.

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New Bennett Building Projects Include A & P, B-A Ventures

Major new real estate projects of the Bennett brothers' **United Principal Properties Ltd.** are announced in the prospectus for an issue of UPP common shares:

- Glenorchy Gardens, a 95-acre luxury residential development in the Bayview Ave.-Park Lane area northeast of Toronto. Company has a 25% interest in the property, which is being developed by **Perini Ltd.**
- **Daval Petroleums Ltd.**, jointly owned by UPP and **British American Oil Co.** Daval has built and is operating four service stations—at Toronto, Oshawa, Regina and Calgary—and plans to build 100 more across Canada over a three-year period.
- A 100,000-sq.-ft. warehouse and office addition to the UPP-owned **Great Atlantic & Pacific Tea Co.** warehouse at Highways 5 and 27, west of Toronto.

Canadian head office for A & P will be located here.

In addition, UPP now plans to proceed with construction of a new shopping centre with 1,200-ft. frontage on Albert St., Regina (**FP**, April 13, 1957). Lessees include several leading national chains of retailers.

A new issue of 380,000 npv common shares of UPP has been sold at $3.10 by Toronto investment dealers **Watt & Watt, E. T. Lynch & Co.,** and **J. L. Goad & Co.**

Company's enterprises are under direct supervision of the Bennett brothers — Chairman Archie, President David, and Secretary A. J.—through **Principal Investments Ltd.** which provides management services to UPP.

Company was originally **Kerr Lake Mines Ltd.** Change of name and nature of business took place in 1958.

Today, UPP owns four shopping plazas in Toronto, and one each in Windsor, Sudbury, Kingston, Oshawa and the Lakehead. It holds another 14 properties in Toronto, and four in other cities.

To acquire these properties from Principal Investments and **Principal Shopping Centres Ltd.**, UPP assumed $22,535,836 first mortgages and first mortgage bonds; issued $10.5 million 6½% 20-year sinking fund secured debentures to Principal Investments; and issued 4.7 million shares to Principal Investments and Principal Shopping Centres.

Appraisers have placed combined value of all of the properties at $45,811,257.

Most stores on UPP sites are occupied under long-term leases, providing for fixed minimum rental plus a percentage of sales.

On the basis of earnings for the first four months of UPP operations, to March 31, 1959, annual rents are projected at $2,928,291, operating expenses $1,164,213, mortgage interest $1,322,925, and net revenue before depreciation $441,153.

Pro forma consolidated balance sheet at March 31, 1959, shows current assets of $1,461,629, net fixed assets of $45,941,110 and total assets of $47,646,753.

Current liabilities were $1,349,170 and long-term debt $31,824,156. Equity capitalization consisted of seven million authorized, six million outstanding, npv common shares.

Underwriters paid $3 a share for the newly issued stock.

Jobless Numbers Decline in N.S.

From Our Own Correspondent

HALIFAX — Number of jobless is declining and industry generally is perking up in Nova Scotia, according to an Atlantic Provinces' Economic Council survey.

Only industrial declines in June were in Cape Breton fish landings, woods operations and hauling, and sales of beachware. Wet weather was mostly to blame.

Unemployment registrations dropped 30% from May. Demand for construction workers was heavy, especially in the Greenwood, Bridgewater, Amherst and Liverpool areas.

Traffic Increases At Atlantic Ports

From Our Own Correspondent

HALIFAX — Prospects for Atlantic Coast ports appear "bright and encouraging".

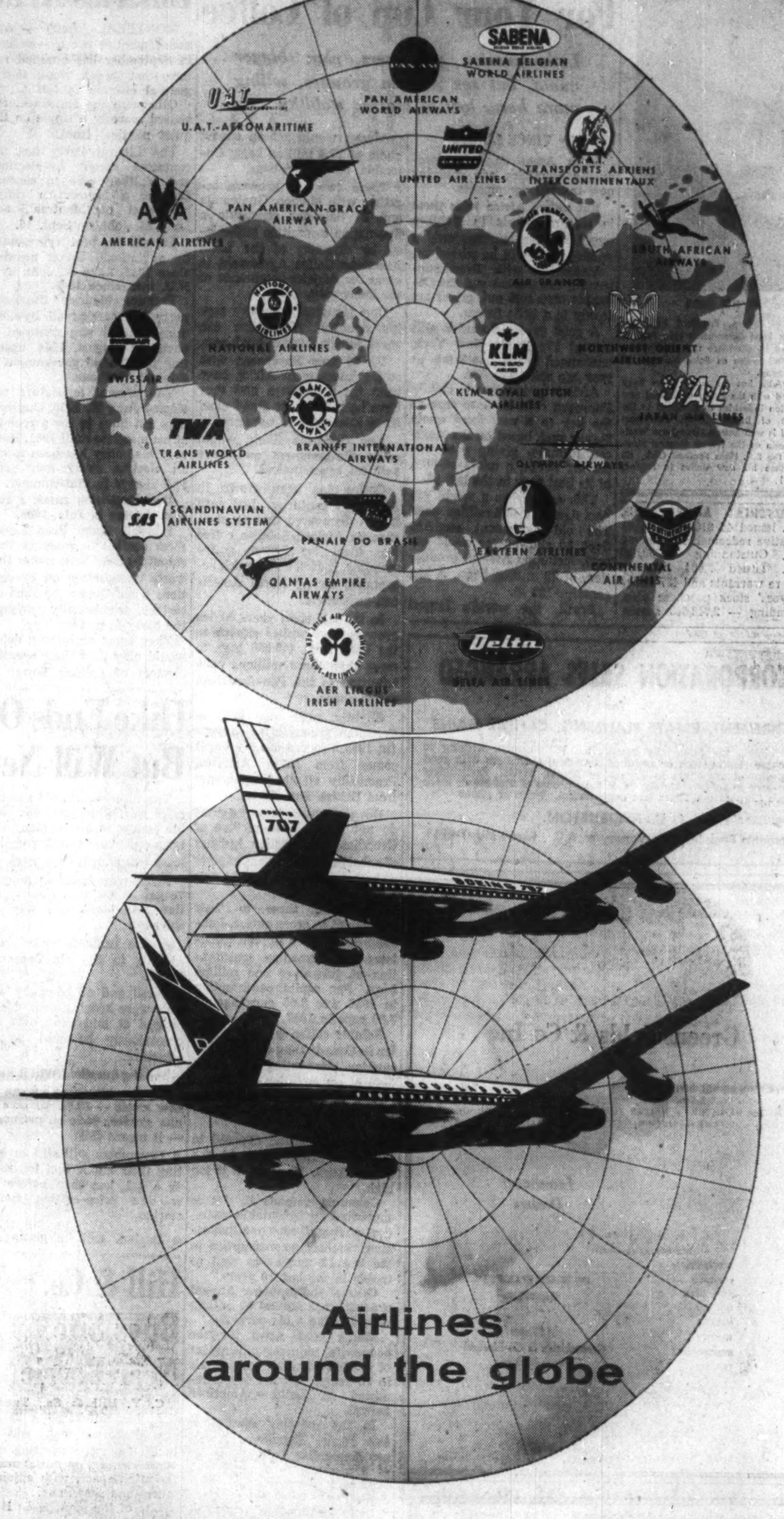
Economic advantages of shipments from central Canadian ports to the Maritimes through the St. Lawrence Seaway are becoming evident.

Brigadier Maurice Archer, chairman National Harbors Board, made these comments during a Halifax visit.

Total traffic at Halifax harbor was up 22% this year he said, and similar increase was noted at Saint John.

All types of traffic showed increases.

Small trial cargoes between Lake ports and Halifax were seen as good indications of increasing traffic of this kind.



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This overwhelming acceptance is a recognition of Pratt & Whitney's experience and accomplishments. In three decades this organization has produced more than 435,000 aircraft engines, totalling more than one billion horsepower — performance unmatched by any other engine manufacturer in the world.

Today more Pratt & Whitney engines are in airline service than engines from all other manufacturers combined.

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ANNOUNCEMENT

INTERPROVINCIAL STEEL

W. PHIL WEBB

Mr. J. W. Sharp, President of Interprovincial Steel Corporation Ltd., Regina, is pleased to announce the appointment of Mr. Phil Webb as Sales Manager of the Company.

Mr. Webb has for many years been associated with the heavy equipment and construction industries as Assistant to the President of Dietrich-Collins Equipment Ltd., and is well known throughout Western Canada as the former General Manager of the B.C. Lions Football Club. He will assume his new duties in Regina, August 1.

INDUSTRIAL ACCEPTANCE CORP. issued 45 $100 par, 4½% cumulative redeemable preferred shares. Outstanding — 89,592 shares. Issued 2,604 common shares re warrants and 437 under employees' stock purchase plan. Outstanding — 2,748,648 shares.

You Won't Pay Any More For Your Cup of Coffee

Latin-America producers plan bigger quota, but see African growers, selling more here, key to market stability . . .

By VINCE LUNNY

Latin American coffee-producing countries are studying new market agreements.

But unless Africa joins them in sincere efforts to stabilize world markets perhaps only a witch's brew will be stirred up.

Meanwhile with Brazil supporting the market and the Colombia crop sold out, prices are steady to a little firmer.

A good grade of Santos sells around 37c lb. in New York, unchanged in the last 3 mo. A year ago price was 47c.

African producers — chiefly European colonies—**are seen as the key to a new fixed quota 2-year pact,** based on the Mexican formula, giving each exporting nation a quota of 90% of its best year in the last 10.

This establishes a world export figure of 40.2 million bags. The old agreement expiring Sept. 30 allowed for world export, including African production, of 38 million bags. A bag contains 132 lb.

Brazil, the world's largest producer, would get an export quota of 17.4 million bags; Colombia, 5.9 million bags.

These two big growers together with Mexico, Guatemala and El Salvador constitute a five-nation committee authorized by directors of the Latin American Coffee Agreement to press for African acceptance of the quota plan.

One Montreal importer says it's doubtful if anyone can speak for the African producers.

Up to now Europeans with coffee interests in Africa have been the spokesmen and they have been happy to stand aloof from international agreements.

Any deviation likely would cause disagreement and have political repercussions.

Coffee has been grown in Africa for centuries. But until it was discovered that rougher, cheaper African Robusta coffee was ideal for instant coffee grinding, it didn't win much acceptance among North American consumers.

In the last eight years Africa growers have pushed exports to the U. S. from 440,000 bags to more than three million,, contributing to the Pan-American coffee chaos.

Slightly more than 90% of Canadian green coffee imports (in 1958 a record 894,670 bags) comes from Latin America. Practically all the rest comes from British East Africa.

However green import figures do not give a true picture of Canadian consumption because of substantial additional imports of both regular and instant coffee.

Converting these to their equivalent in green coffee, Pan-American Coffee Bureau calculates 1958 Canadian consumption at just over one million bags. Per capita consumption in 1958 was 8.05 cups against 7.88 cups in 1957.

Soluble coffee is more popular in Canada than in any other country, accounting for about 30% of consumption.

This will tend to strengthen the African position in this market.

Cuba is reported opposed to the world export figure of 40.2 million bags. They say it is too high.

Colombia defends it. "It is supported by irrefutable statistical analysis," says one spokesman, "including consumption in the last 12 months as well as trends in the last 10 years."

Crux of the problem: Annual production is around 50 million bags, leaving a big surplus.

That's good news for the housewife, enjoying advantages of the lowest retail price levels in 10 years. But her joy is reflected in Latin - American frowns.

In the red-clay reaches of Sao Paulo, Brazilian growers are demanding federal support of a program to convert low-producing plantations to other crops.

Latin - American Coffee Agreement launched its plan to bring new stability to world markets last spring.

Directors already have held four meetings and a fifth is scheduled for Washington July 27.

Representatives of Africa's coffee-growing territories have been invited to attend.

Ignore Quebec By-Election Liberals Arm for mid-1960

MONTREAL (Staff) — Announcement of two by-elections in September has quashed rumors that Quebec would face a general election in fall.

Otherwise the announcement caused scarcely a ripple on the quiet political front.

The Liberal Party has not contested recent by-elections and is likely also to concede Labelle, a Laurentian riding northwest of Montreal, and Lake St. John on Sept. 16.

Labelle has been represented by a National Union member since 1935, Lake St. John by a N.U. man since 1948.

Premier Maurice Duplessis' party has carried all by-elections since it was returned to power in August, 1944, upsetting the Liberal government of Adelard Godbout.

The present legislature was elected June 20, 1956. Duplessis does not have to see a renewal of his mandate until 1961. However his policy has been to call an election every four years and always in mid-summer.

Best long-term guess: a general election in July, 1960.

Liberals under Jean Lesage seem content to conserve their resources until then rather than waste ammunition on by-elections when Quebec on such occasions traditionally supports the party in power.

They agree an interim defeat would only hurt their eventual chances of gaining power by taking the shape edge off issues that might better be kept under wraps until the big test.

With Quebec jealously guarding provincial rights, **relations with the Federal authorities are bound to be an issue.** Liberals already have pledged closer co-operation with Ottawa but they don't want to give Duplessis an opportunity for a ballot box fight on that point until all their guns are trained in the right direction.

Back from Ottawa after a two-day meeting with federal officials Duplessis said:

"All Quebec is demanding is a return of taxation rights which Ottawa took over or which were ceded to Ottawa by former Liberal administrators in this province.

"Just give us back what rightfully belongs to us and we will be able to look after our own problems without so-called help from the Federal government."

Lesage on the other hand has urged Quebec to join the Federal Hospital Insurance Plan and while he hasn't mentioned university grants specifically he has said, "the first problem we must face and the most important one is education".

The Liberals don't plan to employ their arsenal in scattered by-elections simply on the off chance they might bag a seat or two. They are after bigger game.

Hike Ends Ontario Gas War But Will New Prices Hold?

The three-month old gasoline price war, which saw gas tumble as low as 27c in many Ontario cities and towns, ended at least temporarily this week.

Prices were hiked a whopping 7c gal. in Ontario. Similar action was taken last week in Quebec.

A few isolated pockets still clung to the old depressed levels.

Retail and oil company officials were keeping their fingers crossed at mid-week over the precariously balanced price structure.

The big question: Will it hold?

If prices stabilized around the new levels — 39.9c gal. on regular grades,. 44.9c on premiums — it means this:

- Consumers will still be getting their motor fuel for about 3c a gal. less than before the whole price-cutting ruckus started.
- Dealers will be getting an average 6½c gal. mark-up on regular grades against the former 7.6c.
- Oil companies will be taking a 1.9c gal. reduction in delivered tank wagon prices.

But in comparison with the recently depressed levels—32.9c on regular (got as low as 27.9c) — the new prices look good.

But nobody in the industry is hazarding a guess as to how long the new levels will hold. Certainly there's been no change in the basic conditions behind the price wars — surplus refined products and refining capacity. Actually oil marketing experts see a strong likelihood that these conditions will continue for some time — maybe another year.

"There's plenty of offerings of cheaply priced refined products from outside the country", one major oil official told **FP** this week.

"If we don't meet these prices — or at least come close to them — unbranded gasoline dealers will be bringing in most of their supplies from the U. S. and the Caribbean area."

Imperial Oil, sparking the new price move, is offering its dealers gasoline deliveries on a consignment basis if they need it.

That is they don't have to pay for the gasoline until they've sold it.

ST. REGIS PROFIT JUMPS

St. Regis Paper Co., New York, first half consolidated net profit rose 67% to $13,422,471 ($8,069,-009 in first half 1958). Earnings were $1.50 (93c) per common share. Sales were 18% higher at $178.9 million.

Hill & Co. Buys Site Near Barrie

C. V. Hill & Co., Trenton, N.J., has purchased a 25-acre site in Barrie, Ont., and will build a plant comprising some 70,000 sq. ft. of initial manufacturing space, with adjoining offices and showroom.

Site of the plant is on Highway 400, the main artery running north from Toronto and is serviced by rail facilities for shipments to both Western and Eastern Canada.

Finley W. McLachlan Ltd., is general contractor.

A Canadian has already been appointed general manager and Neil T. Jack, a native of Hamilton, Ont., now serving as divisional sales manager, will become sales manager of the Canadian subsidiary, **C. V. Hill of Canada Ltd.**

The company will manufacture and stock a complete line of food store refrigerated equipment designed to meet demands of the Canadian retail food industry.

While U. S.-made Hill equipment has been exported to Canada for many years, the new plant will provide faster service and considerable savings in transportation and duty charges to customers.

The Hill Co. is a wholly-owned subsidiary of **Savage Arms Corp.** It is said to be one of the largest organizations of its kind and products include self-service merchandisers for meats, dairy, produce and frozen food, walk-in and reach-in storage coolers and condensing units.

Hill products are now distributed throughout Canada by over 25 refrigeration distributors.

The Barrie plant will also establish a headquarters for distribution of the Savage ice cream cabinet division. Savage is a supplier of display and storage equipment for ice cream manufacturers.

Cartier Picks Up Another Franchise

MONTREAL (Staff) — Cartier Gas Corp. is continuing its drive to line up natural gas franchises in the Eastern Townships area of Quebec.

This week Farnham, a community near Granby, approved granting of a franchise to Cartier.

Cartier, a wholly owned subsidiary of St. Maurice Gas Inc. and Consumers Co., Toronto, is proposing to build a small natural gas pipeline from the Montreal area through the Eastern Townships to Trois Rivieres and ultimately on to Quebec City.

Approval in Farnham follows similar action by Cowansville council a week ago (**FP**, July 18).

Cartier has now lined up five franchises. Other centres are Granby, Magog and Waterloo.

Company is negotiating with other communities.

Gas Program Starts in Hull

A ground breaking ceremony was held in Hull, Que., this week marking first construction step to bring natural gas to the city.

A private company—**La Societe Gazeifere** — has the franchise to distribute gas in the Hull area.

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New students register Saturday, September 19th. Former students register Wednesday, September 23rd. For further details on registration, courses, admission, scholarships, loan funds and other particulars, write to the Registrar.

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$480	12 Months	$40.00	$15.12
	16 Months	$30.00	$19.57
	20 Months	$24.00	$23.95
	24 Months	$20.00	$28.24
	36 Months	$13.35	$40.64
$600	12 Months	$50.00	$18.89
	15 Months	$40.00	$23.08
	20 Months	$30.00	$29.93
	24 Months	$25.00	$35.30
	36 Months	$16.67	$50.80

* "::::::no bank shall in respect of any loan or advance payable in Canada stipulate for, charge, take, reserve or exact any rate of interest or any rate of discount exceeding six per cent per annum and no higher rate of interest or rate of discount is recoverable by the bank."—Section 91 of The Bank Act.

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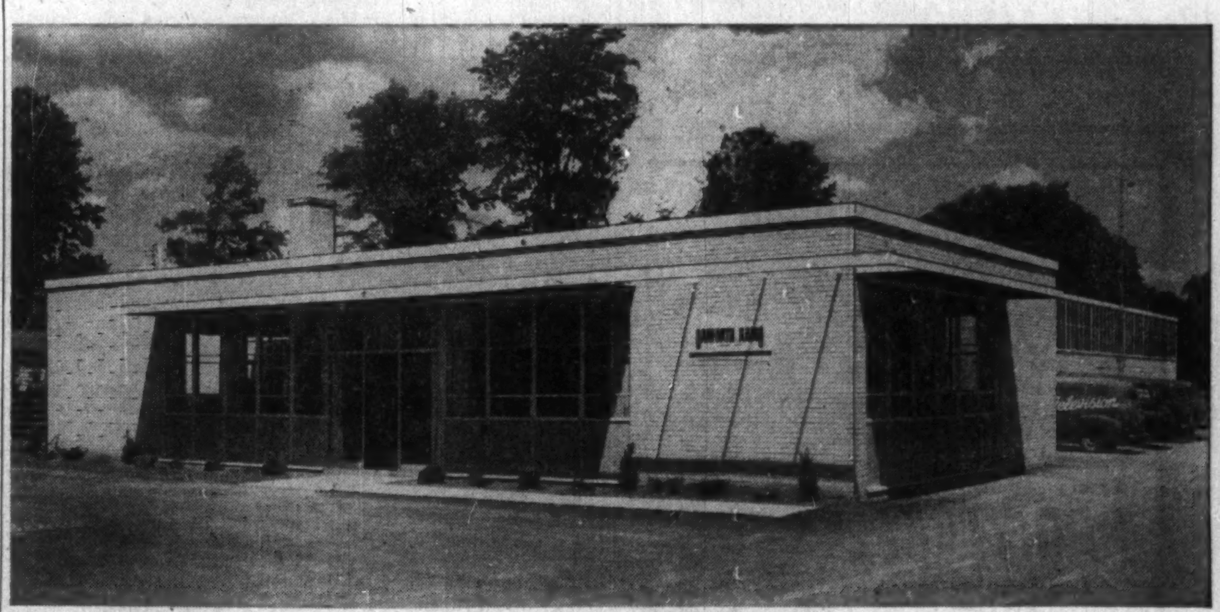

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Parliament's Business

—By FP's OTTAWA STAFF—

The Last-Minute Rush

The closing days of the second session of the 24th Parliament of Canada were especially grueling. In four days the House, prorogued late Saturday night:

- Approved estimates of 18 Government departments or agencies totaling over $2,000 million.
- Passed a dozen bills, including C-7?, which gives Newfoundland special grants of $36.5 million between now and 1962.
- Approved four or five reports, including the controversial broadcasting committee report on the CBC.
- Heard Prime Minister Diefenbaker announce a paper plan which the hush-hush Emergency Measures Organization has evolved to move the Government outside of Ottawa in the event of a nuclear war.

Any one of these items — except the estimates — could have provoked a four-day debate at any other time in the session.

All the departmental estimates had been examined fairly completely before they came up for approval last week. Simply because at some points at the end of a session the House approves estimates at the rate of several million dollars a minute, **it's a mistake to imagine that Parliament is careless about money.**

Most departmental estimates go early in the session to parliamentary committees which study them carefully and often spend hours cross-examining civil servants about a single item.

Other groups of estimates are handed at intervals in the session to the Commons sitting in "committee of the whole". Usually the appropriate minister defends them, and private members get a chance to ask for explanations and to argue with ministers.

Most items in a departmental estimate are agreed to either in a parliamentary committee or in a "committee of the whole" sitting.

But the Opposition doesn't agree to all of a department's estimates until the end of a session simply to keep that department's affairs open for discussion; and if a real objection to an item occurs to an Opposition member at the last minute, he is quite free to jump in and force an explanation.

* * *

The Newfoundland Bill provoked as violent a row as the Commons has had this session.

This is the Bill which sets March 31, 1962, as a cut-off date for federal grants and much of the debate concerned interpretation of Article 29 of the Terms of Union under which Newfoundland became part of Canada 10 years ago.

J. W. Pickersgill, member for Bonavista - Twillingsgate, a Newfoundland constituency, argued that Newfoundlanders never would have agreed to Confederation if they had not construed Article 29 as meaning that federal aid to their province would be continued indefinitely.

Mr. Pickersgill was Clerk of the Privy Council while the Newfoundland negotiations took place.

Finance Minister Fleming, of course, rejected this explanation. But he did promise that Newfoundland's problems would get special consideration before 1962 and before the federal grants were terminated.

The Government's plans to move out of Ottawa and to establish a "War Supplies Agency" in the event of nuclear war will provoke hours of debate next session when Parliament has had a chance to learn more about the plan.

Last week the House could only listen to and approve Mr Diefenbaker's announcement.

The War Supplies Agency, said the Prime Minister, would combine the functions that the Wartime Prices and Trade Board and the Department of Munitions and Supply exercised in World War II—i.e., powers over all production, distribution and pricing of civil and military supplies with the exception of some farm and fisheries products.

This plan is the first public production of the Emergency Measures Organization which was established last year with a staff of one—R. Burns Curry, former national director of the family allowances and old age security division of the Health and Welfare Department.

The EMO is so secret that no one will say how many people work now for it. But it is generally assumed to consist of 10 or 12 people, mainly economists.

* * *

The Commons committee on broadcasting found that the CBC was in need of a thorough administrative reorganization; and that an upper limit should be set on parliamentary grants to the Corporation.

But it found no evidence to back up the charge by the CBC that the political broadcast "Preview Commentary" had been canceled because of "clandestine political influence"

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A descriptive circular is available upon request.

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Look for 'Diesel Principle' In More Labor Negotiation

MONTREAL (Staff) — Here's a phrase you may be hearing more and more in your labor negotiations: **The Diesel Principle.**

It will take on growing importance in the automation age.

The name stems from the hotly contested question of what to do with firemen no longer needed on diesel locomotives.

Canadian Pacific Railway came up with what seemed a fair and logical solution — none will be fired but no more hired.

The Diesel Principle came up again last week when a federal conciliation board announced its findings into a dispute over Montreal - Toronto piggyback operations.

At issue were the rights of long distance truck drivers employed by **Kingsway Transports Ltd.** and **Smith Transport Ltd.**

The drivers were complaining that loads were being sent piggyback by rail that by rights should have been theirs for highway distribution.

The board ruled that loads could be sent piggyback when rail schedules make it desirable to ship piggyback, or when the load is too heavy for the highway, or when holidays and weather make highway transportation impractical.

To transportation men this week the results looked like a bright "go" signal for expanded piggyback operations.

But what happens to the long distance truck drivers? The new agreement put forward by the board rules that the jobs of 16 Kingsway and 14 Smith drivers on the Montreal-Toronto sector should be safeguarded, but that no new drivers will be taken on to replace them.

Lawyers concerned with the dispute were referring to that as the Diesel Principle.

While piggyback is far removed from pure automation, it does present the same basic problem — a few men using bigger machines to replace many men.

The formula of keeping men on the payroll until retirement is recognized by labor as a short term policy.

For the unions it is looking increasingly attractive. For management it could cause some severe problems, holding unproductive labor costs at a level which might outweigh the immediate advantages of expensive new machines.

Hygrade Plant Starts Production

From Our Own Correspondent

ST. JOHN'S, Nfld. — New $400,000 corrugated container plant of **Hygrade Containers Ltd.** is expected to go into production in last week of July.

A subsidiary of **International Paper Co.**, Hygrade already has substantial orders.

Biggest customers: Breweries, fish-packing plants and bakeries.

Output will be distributed by **N. C. Hutton Ltd.**, Newfoundland sales representative for Hygrade for a number of years.

Miss the Bus? Here's Chance, Buy Your Own

From Our Own Correspondent

DARTMOUTH, N.S. — **Bell Busses Ltd.** is offering for sale seven 40-passenger vehicles, all practically new, at an average price of $8,750, ending a gamble that failed to pay off.

They cost Bell around $23,000 each.

Here is the story as told by company officials:

When the Angus L. Macdonald bridge was built to link Dartmouth and Halifax, Robert Bell decided his public transport firm was in an ideal position to operate the bus route across the bridge.

The only reason he might not get the franchise, he thought, would be lack of equipment. So he contracted for seven huge coaches, diesel - powered and with automatic drive.

They were brought over semi-assembled from the U. K. and finished at Dartmouth.

Then **Nova Scotia Light & Power Co.** was granted the right to operate its trolley coaches on the bridge. Bell had believed that power lines would not be permitted.

Finally Bell ceased bus operations but he still had the big coaches.

Two of them have never been on the road. Average mileage is less than 15,000 against potential usefulness of 750,000 mi.

See Another Record Year For Churchill

From Our Own Correspondent

SASKATOON—National Harbors Board officials predict another record year for the Hudson Bay port of Churchill, Man.

Last year 55 ships entered the port to carry away 19.5 million bu. of Prairie wheat destined for European countries.

Close to 5 million bu. of grain are in store at Churchill awaiting the opening of the shipping season, expected July 26.

The federal government icebreakers N. B. McLean and C. D. Howe have been assigned the task of preparing the way for incoming ships.

The 1958 season opened on July 27, with the last ship clearing port Oct. 11.

Grain shipments through Churchill have increased each year since 1950 as more Prairie growers take advantage of the Hudson Bay route, 1,000 mi. shorter than the St. Lawrence Seaway to Europe.

Incoming cargoes also are expected to set new highs this year with deliveries of automobiles, tractors, machinery for mining development in the north, chemicals, liquor and even curling stones.

Churchill also handles ore shipments from the **North Rankin** nickel mine at Rankin Inlet, 300 mi. north of the port on the west shore of Hudson Bay.

Last year, 18,000 tons of ore went through Churchill for shipment by rail to smelters at Fort Saskatchewan, Alberta. Increased shipments are anticipated this year.

Maritimes Filmed For Movies, TV

From Our Own Correspondent

MONCTON — Tourist attractions of the Maritimes are being featured in motion picture and TV films being produced by **Canadian National Railways.**

Distribution will be in Canada and the U. S.

The color movies, available for travel bureaus, service clubs and other groups, will run about 15 min. TV shorts will be taken from the movies and will run about 6 min.

Data collected for scripts during travelogue assignments will be used in part on CNR's new radio series, This is Canada, carried over 400 U. S. stations.

Want Coal Mine? See Nova Scotia

From Our Own Correspondent

HALIFAX — Nova Scotia government is seeking inquiries from groups and individuals interested in producing coal from No. 6 and No. 7 seams at Springhill (**FP**, July 11).

The government has completed 16 drill holes, augmenting information from 18 holes drilled over 50 years.

Seams are south of workings abandoned by **Cumberland Railway & Coal Co., a Dosco subsidiary**, following an explosion that took the lives of 75 miners.

Average thickness of No. 6 seam is 4 ft., 3 in., and of No. 7 seam 4 ft., 1 in.

Indicated tonnages: 3 million for No. 6, 1.5 million for No. 7.

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West. Plywood Sales Up 14%

Western Plywood Co., Vancouver, consolidated net profit (unaudited) for seven months ended May 31 was $595,000.

Earnings are after depreciation of $329,000 and are equal to $1.34 per class B share.

In eight months ended June 30, 1958, net profit before taxes amounted to $830,000 after providing $404,000 for depreciation.

Plywood sales volume so far this year has been about 14% greater than a year ago, says President John Bene.

Prices have recovered somewhat from 1958's low levels but are still 5% to 10% below 1956 prices.

The B.C. lumber industry strike which started July 6 has closed company's two Vancouver mills, but operations are continuing in the Quesnel and Edmonton mills.

If home building continues at the substantial level now forecast by the government and the present work stoppage on the B.C. coast is reasonably soon settled, company's earnings this year should exceed last year's by a comfortable margin, Mr. Bene says.

Shareholders have approved granting of an option to **Georgia-Pacific Corp.** on 150,000 class B shares of Western Plywood (**FP**, July 4).

Cost of the shares to Georgia-Pacific, depending on when the option is exercised: $3-$4.5 million. The U.S. company will place one director on the Western Plywood board, have a little over 25% of the voting power.

Georgia-Pacific will supply company with choice Douglas fir peeler logs from which layers are peeled for plywood.

Here are Men Who Plan New Toronto Trust Firm

Millionaire miner and farmers in group ready to start $3 million trust company . . .

A uranium millionaire, a corporation lawyer and a Toronto realtor are prominent members of a group planning to open a trust company in Toronto shortly (**FP**, July 4).

Legislation incorporating **Standard Trust Co.** is awaiting royal assent.

The bill is the fifth since 1925 to incorporate a trust firm under federal law. The trust and loan field in Canada is characterized by a large proportion of companies founded in the nineteenth century.

Sponsors of Standard Trust include:

- Stephen B. Roman, Czech-born president of **Consolidated Denison Mines, Can-Met Explorations** and **Trans-Canada Explorations.**
- Harry A. Willis, Q.C., senior member of the Toronto legal firm of **Willis & Dingwall** and federal chairman of the Progressive - Conservative Party since 1943.
- B. E. (Bert) Willoughby, partner in the family real estate firm of **J. A. Willoughby & Sons,** Toronto, and an officer and director of a number of mining and exploration companies.
- Murray Axmith, Toronto, a chartered accountant who serves on the directorate of a number of Roman-backed mining companies.
- Wesley G. Thompson of Ridgetown in south-western Ontario, farmer and feedmill operator, and Ontario Minister of Lands & Forests during the Drew administration.
- George G. Rodanz, a Stouffville, Ont., farmer and director of the Royal Agricultural Winter Fair and the Canadian National Exhibition.
- John Bull, a Brampton, Ont., farmer and cattle breeder.

No officers have yet been appointed, Mr. Roman told **FP**. Head office will be in Toronto, but no site has yet been chosen.

Standard Trust will offer a complete range of trust services, he said, including savings accounts and guaranteed investment certificates.

"I understand from the sponsors that they are in a position to immediately provide the trust company with stock transfer business which should produce an annual income of approximately $100,000 for the company," Senator William R. Brunt told the Senate when enabling legislation was being considered.

Transfer agent for Consolidated Denison is **Guaranty Trust Co. of Canada.**

Authorized capitalization initially will be $3 million, with provision for an increase to $5 million.

Sponsors are to pay $1.1 million for the first $1 million par value common stock to be issued, thus creating a $100,000 capital surplus.

Company is expected to incur operating losses at the outset. These losses will be charged against the capital surplus.

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PORT OF SPAIN, TRINIDAD • KINGSTON, JAMAICA

What's New

New products, new uses, new ideas, new money-makers. FP reports them here and invites your contributions. Write to 481 University Ave., Toronto.

MOWING THE LAWN got you down? U.S. chemical firm says it has a new spray that stunts the growth of grass for one to four months without hurting roots, soil or healthy green coloring. Company says you have to mow only two or three times a season.

* * *

CREAKING ARTHRITIC joints can be heard accurately for the first time with a British electronic stethoscope, maker says. The instrument amplifies sounds which would otherwise be inaudible. Maker says a doctor can hear the heartbeat of an unborn baby so clearly that he can diagnose hole-in-the-heart and other diseases before birth.

* * *

OFFICE LUNCHES can be more luxurious with a U.S. combination of home-style refrigerator and water cooler. The "Cool-R-Frig" has cold storage space, serves 185 deg. hot water for instant coffee and hot drinks, and cold drinking water. Real treat for lunch-at-your-deskers: Freezing compartment with two ice cube trays.

* * *

NO NEED TO TWITCH even a finger once settled down to watch TV now. Japanese firm has a pre-selector which automatically switches to a series of channels you pick ahead of time. It's a combination electric clock and relay apparatus. The unit, the size of a portable typewriter, can switch the set on and off.

SHOE HEEL COVERS, to be worn by women while driving, are being produced in the U.S. under the trademark "Heel Panteys by Phillis Layman."

* * *

YOUR OFFICE SMOKY and dusty? A new air purifier, 2 ft. by 1 ft., removes odors, smoke and dust without any cover-up odor, maker says. Contaminated air is drawn through an activated carbon filter that traps impurities. Other uses: Restrooms, restaurants, walk-in refrigerators, stores.

* * *

STOP LECTURING—and your slide projector changes automatically. Sound impulse from your voice keeps the slide projected on the screen until you stop talking. The unit then brings the next slide into position.

* * *

NEW LITERATURE: Catalogue providing current specifications and prices of cemented carbide tips and tools from **A. C. Wickman Ltd.**, Toronto . . . four-page bulletin describing the line of mechanical booster vacuum pumps of **F. J. Stokes Co.** of Canada, Toronto . . . a 104-page catalogue covering the entire filter replacement equipment of **Wix Corp.**, Toronto . . . off-highway truck line of **LeTourneau-Westinghouse Co.**, Peoria, Ill., is described in a 24-page brochure.

ANNOUNCEMENT

R. B. ALLISON, P.ENG.
Robertsteel (Canada) Limited

Mr. D. H. Haverson, Manager of the Steel Drainage Products Division of Robertsteel (Canada) Limited, is pleased to announce the appointment of Mr. R. B. Allison to their sales staff. Mr. Allison is well known to the road construction industry having been associated with the Ontario Department of Highways and more recently as County Engineer for Prince Edward County.

ONE VIEW OF THE MARKET

Here Are Stocks Traded By Northern Life in '58

Canadian life insurance companies have an investment of $104 million in Canadian stocks. As a service to its readers, FP presents here one of a series reporting on the holdings of individual companies, as well as changes in their portfolios of Canadian preferred and common stocks last year.

Northern Life Assurance Co. of Canada, London, Ont., in 1958 reduced its holdings of preferred stock to 0.8% from 1.2% of total invested assets. Common stock holdings were increased to 3.4% from 3.0%. Stocks were carried on its balance sheet at $1,800,875 at Dec. 31, 1958 ($1,668,066 a year earlier).

During the year, in its holdings of Canadian stocks, Northern Life:

◆ Liquidated one preferred issue.

◆ Added four common stocks and increased holdings in two others.

◆ Liquidated one common issue and decreased holdings in one other.

Here are company's holdings of Canadian preferred and common stocks at Dec. 31, 1958, together with changes from previous year-end:

	Shares held Dec. 31/58	Change since Dec. 31/57
Preferred:		
Anglo-Cdn. Telephone	500	..
Abitibi Power & Paper	..	—600
Aluminum Co. of Can.	2,000	..
Biltmore Hats A	500	..
Monarch Knitting	80	..
National Grocers	200	..
Zellers Ltd.	500	..
Traders Finance	625	..
Common:		
Algoma Steel	1,000	+1,000
Aluminium Ltd.	2,000	—1,000
B. A. Oil	2,000	+500
Canadian Dyno Mines	3,000	..
Dominion Stores	1,000	..
Imperial Oil	1,470	..
International Nickel	1,500	..
Interprovincial Pipe Line	1,500	..
MacMillan & Bloedel	1,000	+1,000
Noranda Mines	1,000	..
N. Ont. Natural Gas	500	+500
Powell River	1,500	..
Quebec Natural Gas	572	+286
Shawinigan Water & Pwr.	574	+574
Stanrock Uranium	1,750	..
Stanleigh Uranium	..	—1,000
Steel Co. of Canada	400	..

Company's invested assets at the year-end consisted of 49.6% bonds, 34.7% mortgages, 6% policy loans, 4.2% stocks, 4.5% real estate, and 1% other. An analysis of invested assets at the end of each of the last four years shows as follows:

Analysis of Invested Assets

	1958 %	1957 %	1956 %	1955 %
Bonds:				
Government	19.5	18.7	18.7	23.8
Municipal	6.4	5.8	4.3	4.0
Other	23.7	20.9	16.3	13.3
TOTAL	49.6	45.4	39.3	41.1
Mortgages:				
(All urban)	34.7	39.0	44.7	44.1
Policy Loans	6.0	6.0	5.8	5.7
Stocks:				
(a) Preferred	0.8	1.2	1.3	1.5
(b) Common	3.4	3.0	3.0	3.8
TOTAL	4.2	4.2	4.3	5.3
Real Estate	4.5	5.1	5.3	3.4
Other	1.0	0.3	0.6	0.4
Grand Total	100.0	100.0	100.0	100.0

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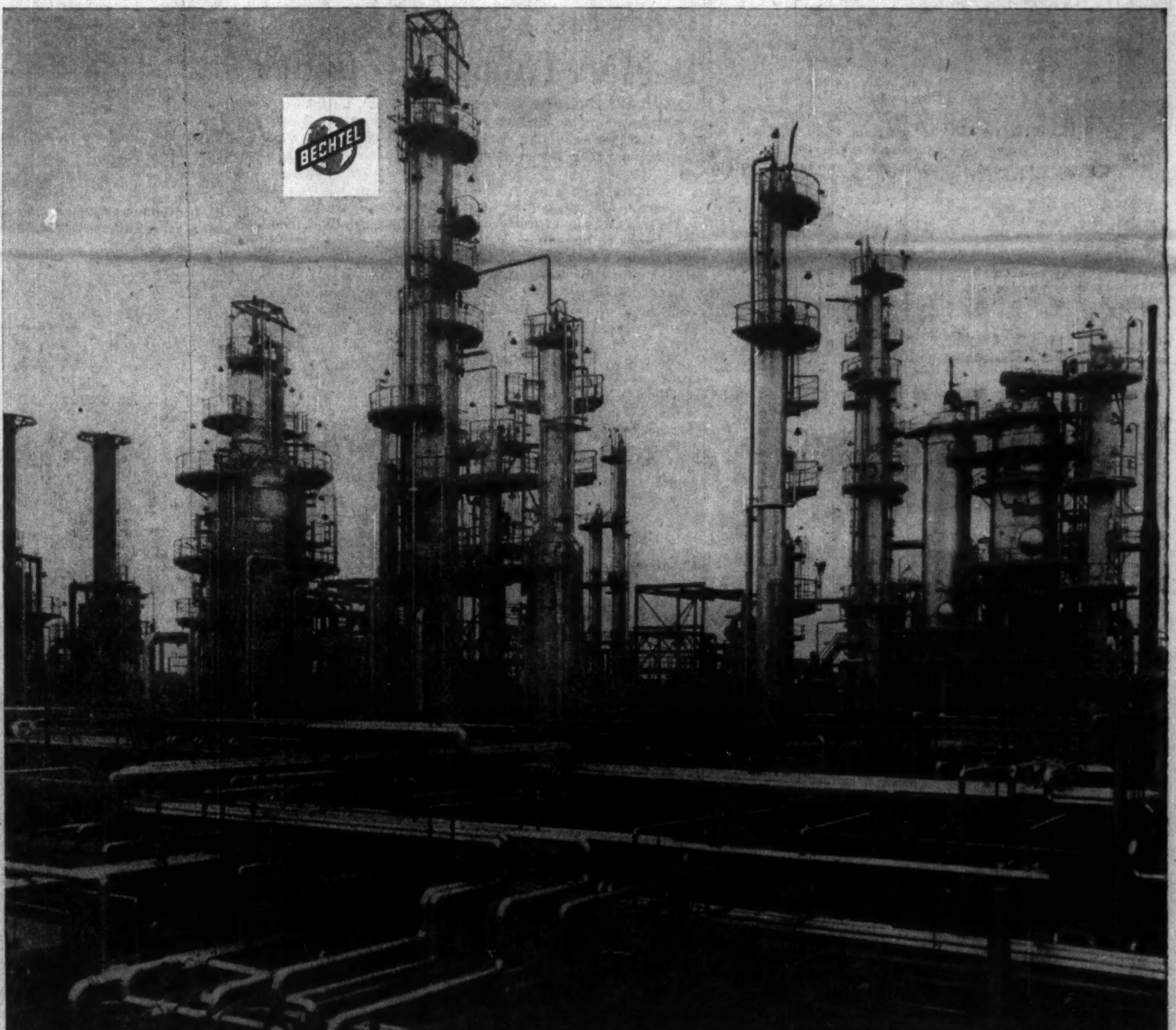

IMPERIAL'S CALGARY EXPANSION
Doubles Capacity, Modernizes Facilities

Major expansion of its Calgary refinery by Imperial Oil Limited substantially increases the company's ability to serve the fast-growing market that Alberta's petroleum developments have helped create.

Completed ahead of schedule and under budget, the expanded refinery has a capacity of 14,700 barrels per day—almost double its former output. New processing equipment, largely fabricated in Canada, permits important product quality improvements.

CANADIAN BECHTEL LIMITED
Engineers and Builders for Industry
Toronto

Canadian Bechtel Limited was responsible for design, procurement and construction of the expansion program, working closely with Imperial engineers.

ANNOUNCEMENT

DR. GREGORY POLOYNIS

Dr. Gregory Poloynis, Taft, California, was elected president of Blue Crown Petroleums Ltd., at the annual meeting of the shareholders of the company held recently in Calgary, Alberta. Other directors elected were: Hamilton Anderson, Vancouver, B.C.; Kevin Tuohy, Los Angeles, Calif.; William Bentz and Achilles Poloynis, both of Bakersfield, Calif.; James Mizell and Thomas Moodie, both of Taft, Calif. The company will maintain its office at 720 - 7th Ave., S.W., Calgary, Alta.

Letter from London

Now that Roy Thomson has acquired the Kemsley newspapers, two Canadians are dominant in the British Press

By ADELPHI

NOW THAT *l'affaire Kemsley* has come to an end, we can sit back and ruminate on the extraordinary coup of Roy Thomson who has emerged as the most far-flung newspaper proprietor in the history of British journalism.

Unlike Lord Northcliffe and Lord Beaverbrook he remains to the general public a shadowy figure despite his sturdy solidity of frame.

Few of us believed that Lord Kemsley would part with his beloved and powerful "Sunday Times" (no relation to the daily "Times") which has soared to great heights under his brilliant and sagacious leadership. But, for reasons which are not yet clear, he has decided on a complete withdrawal from the newspaper world.

So far there has not been any open criticism of Kemsley. Indeed it would be unfair to argue that a proprietor has no right to sell his newspaper properties if he chooses to do so.

Kemsley is 76 years of age and has earned a rest from his constant and heavy labors.

No one has raised the cry that the British Press will now be dominated by two Canadians.

It is true that Lord Beaverbrook (that proud son of Ontario who adopted the Maritimes) has lived in Britain for half a century but he is still regarded as a Canadian — and he would not have it otherwise.

On the other hand Roy Thomson, although widely known in Scotland, has never before attracted any particular interest in England.

Thomson, as you are aware, already held a dominating position in Scotland where he owns that solid Edinburgh newspaper "The Scotsman" plus "The Weekly Scotsman" plus "The Edinburgh Evening Dispatch" and a newspaper group of weeklies centred in Inverness.

In addition he has the majority holding — actually 72% — in a very profitable Scottish commercial television station.

In a complicated financial transaction, Thomson's TV and newspaper interests are now being merged with the Kemsley properties. The Canadian publisher will control two thirds of the combined enterprises, while the Kemsley family and Kemsley shareholders hold the remaining equity.

It is likely Roy Thomson will leave the editorial direction of his newspaper empires to his editors and concern himself solely with reading his balance sheets.

As far as public relations are concerned he will probably leave them to his confidante and colleague, the debonair Lord Balfour of Inchrye who was for years a popular figure in the Commons and rose to junior office.

Needless to say, the Astor family, which owns the Sunday Observer, is in high spirits. The Observer and the Sunday Times have for years fought a duel as the two "class" Sunday newspapers but Kemsley was always able to keep his Sunday Times well in front.

Whether Roy Thomson's Sunday Times will do as well as Lord Kemsley's Sunday Times remains to be seen.

* * *

A fierce struggle is going on between the Parliamentary Labor Party (led by Gaitskell and Nye Bevan) and the mighty TUC led by Frank Cousins.

Unless they can come to a truce of sorts the issue is bound to injure the Socialists' prospects at the general election.

Gaitskell wants Britain to keep out of the nuclear family and leave the H-bomb to Russia and the U.S. But Frank Cousins, as the boss of the mighty trade unions, thinks otherwise and is in a strong position because he can use the automatic mass trade unions vote when it comes to political issues.

Despite this open breach the election trend is slightly against the Tories.

Under the subtle direction of Nye Bevan, the Socialists are putting out the slogan: "It's time for a change!"

Gratitude for past favors is not a trustworthy element in public life. Human nature is more interested in favors to come than what is already in hand.

Having brought in their budget (which was a popular one), the Conservatives have nothing more to give the people whereas the Socialist Party, not being in office, can offer the moon and green cheese.

The betting is still in favor of the Tories but the odds are shortening.

* * *

Advices from Canada indicate that a number of Macmillan clansmen living in Canada have left the Dominion to join the clan-gathering in Scotland later in the summer.

It also seems that Sir Gordon and Lady MacMillan — no direct relation to the prime minister — have left Canada for these shores.

As your London correspondent is a Macmillan clansman he will probably join the gathering in Scotland.

* * *

Before we drop the Macmillan saga I must report that for no logical reason the prime minister has had a slight drop in popularity.

As long as he was whirling about the world, and especially when he invaded Russia, he dwarfed not only the leaders of the opposition but reduced his own ministerial colleagues to the rank of lieutenants.

That was not his intention, but nevertheless that was the result.

By contrast, those heavenly twins, Gaitskell and Bevan, are regaining their popularity for the simple reason that they can't be blamed for anything that happens since they are merely the opposition.

The physical and mental strain upon Macmillan has been incessant and, tough as he is, he will be profoundly grateful when the House rises for the long recess.

W. W. BUCHANAN, former vice-chairman of the Tariff Board, has been appointed a director of Pioneer Electric Co., Winnipeg. Pioneer, which manufactures electrical apparatus for industrial and farm uses, employs 150 at its Fort Garry, Man., plant and is the parent firm of four other plants employing 250.

Ontario Sells Less Imported Hard Liquor

Ontario residents bought more of all kinds of alcoholic drinks in 1958 — with the exception of imported spirits.

Here are the figures, released in the annual report of the Liquor Control Board of Ontario:

- **Sales of Canadian beer in Ontario** rose from 87.6 million gal. in 1957 to 90.4 million gal. in 1958 (a 3.16% increase) and in dollar value from $150.7 million to $162.8 million (an 8.03% increase).
- **Sales of Canadian wine** in the province rose from 2.05 million gal. to 2.23 million gal. (8.34%) and, in dollar value, from $11.1 million to $12.3 million (10.53%).
- **Sales of Canadian spirits** in Ontario rose 5.8% from 4.1 million gal. to 4.3 million gal. and, in dollar value, from $101.4 million to $111.3 million, an increase of 9.8%.
- **Sales of imported spirits dropped** 1.8% from 876,582 gal. to 861,224 gal. but, in dollar value, increased 0.6%, from $25.9 million to $26.06 million.
- **Imported wine sales** increased 13.8% in gallonage and 16.3% in dollar value and imported beers, 21% in gallons and 22.9% in dollars.

The report shows $66 million was paid to the Ontario government by the board in profits, licence fees, etc.

The federal government received $46 million in customs and excise duties and $8 million sales tax on spirits, wines and imported beers bought by the board and $43 million for malt duties and taxes on domestic beers and wines sold in Ontario.

Ethyl Corp. Will Expand

Construction work will start this fall on a major expansion of the gasoline antiknock compound plant of **Ethyl Corp. of Canada** near Sarnia, Ont.

Facilities will be built for Canadian manufacture of ethyl chloride and ethylene dichloride — two chemicals essential for production of Ethyl antiknock compounds.

The new facilities will mean an important reduction in imports.

Construction will be completed late next year.

INDUSTRIAL CONFERENCE

An industrial building exposition and congress will be held at the New York City Coliseum, Dec. 12-15, 1960, Board of sponsors includes 28 of the foremost architects and industrial executives in the U.S. Subjects to be discussed: planning new construction; financing; modernization of older buildings; new types of construction; layout of equipment; construction materials, selection of sites, etc. Visitors are expected to come from every industrial nation in the world. The exhibits will follow the theme of the conference subjects.

POWELL RIVER COMPANY LIMITED

Notice to Holders of Bearer Share Warrants of the Company

THE FOLLOWING LETTER HAS BEEN MAILED TO ALL SHAREHOLDERS OF THE COMPANY WHOSE NAMES AND ADDRESSES APPEAR ON OUR SHARE REGISTER. AS WE ALSO HAVE BEARER SHARE WARRANTS OUTSTANDING WE ARE PUBLISHING THE LETTER IN AN EFFORT TO BRING THE CONTENT THEREOF TO THE ATTENTION OF WARRANT HOLDERS IN CANADA AND THE UNITED STATES.

Vancouver 2, B.C.,
June 30, 1959

To the Shareholders of Powell River Company Limited:

For some time your Management has studied the possibility of consolidating our business with that of MacMillan & Bloedel Limited, one of Canada's great forest products companies, operating principally in British Columbia. I am pleased to advise you that the Board of Directors of each Company has concluded that such a move would be advantageous to the shareholders of the two Companies. A plan has accordingly been evolved whereby, subject to approval and acceptance by shareholders of the respective Companies, the desired result can be accomplished.

Under this plan, if consummated, Powell River Company Limited would change its name to MacMillan, Bloedel and Powell River Limited; would increase its authorized capital to 25,000,000 shares of no par value; would split its outstanding shares on a basis of two for one, giving to its shareholders two shares for each one share now held; and would offer MacMillan & Bloedel Limited shareholders, from treasury, subject to acceptance by a required percentage, seven new shares of Powell River Company Limited for three now-outstanding shares of MacMillan & Bloedel Limited (which is equivalent to one and one-sixth shares of Powell River Company Limited, as now capitalized, for one present share of MacMillan & Bloedel Limited).

No formal action can be taken toward changing the name or capitalization of your Company, or toward offering shares of Powell River Company Limited to MacMillan & Bloedel Limited shareholders, until pertinent Canadian and United States securities and other laws have been complied with and certain tax rulings have been obtained. A registration statement under the United States Securities Act of 1933 and an application for a United States tax ruling will be filed as soon as practicable. This is necessary because each of the Companies has a number of shareholders in the United States.

Barring unforeseen delays, it is hoped that the registration statement can become effective and the tax ruling obtained in time to permit submission of the offering to MacMillan & Bloedel Limited shareholders in approximately 60 days. Such offering may be subject to certain conditions, among them approval of changes in name and capitalization by shareholders of Powell River Company Limited, and acceptance by a specified percentage of MacMillan & Bloedel Limited shareholders.

This letter in no way constitutes or is intended as a solicitation of any approval or authorization from shareholders of Powell River Company Limited or an offering of shares of Powell River Company Limited to MacMillan & Bloedel Limited shareholders. The offering to MacMillan & Bloedel Limited shareholders in the United States will be made only by means of a prospectus included in the earlier-mentioned registration statement after the latter becomes effective.

This letter is written only for the purpose of advising you of the above-outlined proposal and you are not required to take any action at this time.

Yours very truly,
HAROLD S. FOLEY,
Chairman of the Board.

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Write for name and address of nearest branch or dealer.

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(Advertisement)

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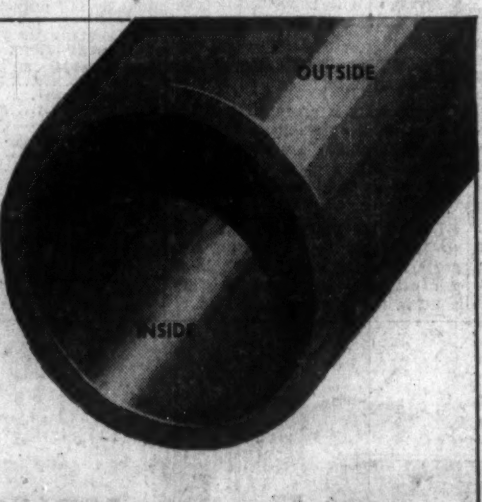
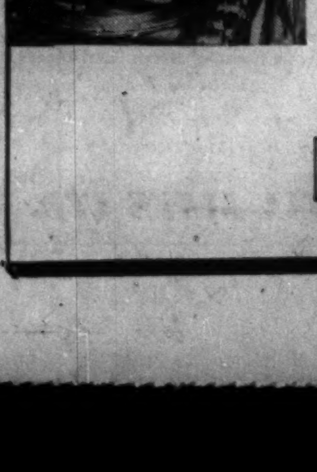
EYE APPEAL MEANS BUY APPEAL



WOLVERINE
TUBEmanship in ACTION

A bright and shiny finish means eye appeal.

That—plus its contribution to overall quality—is why Wolverine Tube pays such devoted attention to the interior and exterior surfaces of its copper and copper alloy tubing.



For example, during manufacturing, Wolverine "plug-draws" its tube over mandrels and through dies which have been highly polished. This assures tubing with smooth, mirror-bright surfaces. Then, to retain this bright surface which our customers desire in the soft or annealed condition, Wolverine anneals its tubing in special atmosphere controlled furnaces such as that shown at left.

Such attention to detail is but one of many facets of Wolverine's TUBEMANSHIP programme. It is your assurance of the finest of copper and copper alloy tubing.

If your company uses copper and copper alloy tubing for plumbing, heating, refrigeration, processing or general metalworking applications try Wolverine next time you order. For more information write for the General Products Catalogue. Dept. AA-7.

WOLVERINE TUBE
DIVISION OF CALUMET & HECLA OF CANADA LIMITED
LONDON, CANADA

Perhaps the nicest Avis 'extra' is a little extra care

Hale fellow, well met...

Never a worry, never a care—his Avis car is always there to meet him. With Avis it's a point of pride to deliver cars where they're wanted, when they're wanted. In fact, Avis *guarantees* it when you reserve in advance.

Confirming out-of-town reservations while you wait (Free TELEX service across Canada) and *completely safety-equipping each car:* these are some of the extras you'll find at every Avis station from coast to coast in Canada or anywhere in the world.

Whether it's across town or country, for business or pleasure, plan to ride along with the Avis calibre of friendliness. You'll enjoy it more—

Avis RENT a CAR

a little more car

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Avis rents all new cars and features Deluxe Pontiacs.

The Avis Rent-a-Car System of Canada • "Serving Canadians Round the World".

(Advertisement)

HOW A FRIEND'S ADVICE GOT ME $12,000

By a Wall Street Journal Subscriber

One day I went to see a banker friend about a loan. He asked a lot of questions about my job.

"Do they pay you weekly?" he asked.

"Very weakly!" I replied, trying to smile.

Well, I didn't get the loan, but I got some advice. Among other things, he told me to read The Wall Street Journal. He said that it should help me get ahead in my job.

That was two years ago. I've been following his advice ever since. I earned the money I needed, instead of borrowing. Last year my income was $12,000.

The other day I dropped in to see my friend at the bank. This time he was ready to give me a loan. "I don't need it," I said. "I just wanted to thank you for your advice, and open an account." • • •

That is the wonderful thing about The Wall Street Journal. A few minutes' daily reading of that amazing newspaper has put thousands of men on the road to increased earnings. The Journal helps salaried men making $7,500 to $25,000 a year. It is valuable to small business men. It can be of priceless benefit to ambitious young men who want to win advancement.

The Wall Street Journal is the complete business DAILY. Has largest staff of writers on business and finance. The only business paper served by all three big press associations. It costs $24 a year, but you can get a Trial Subscription for three months for $7. Just tear out this ad and attach check for $7 and mail. Or tell us to bill you. Address: The Wall Street Journal, 44 Broad St., New York 4, N.Y. CFP-7-18

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As this issue has been sold, this advertisement appears as a matter of record only

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$500,000 6½%
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THE QUEEN ELIZABETH
The world's largest new hotel

YOUR TAXES

An exclusive FP column of comment on the trends in personal and business taxation.

New Sales Tax Regulations Set Base for Assessment

By *JOHN G. McDONALD, LL.M.*
McCarthy & McCarthy, Toronto

THREE years ago, a special sales tax committee appointed by the federal government brought down a complete report on the Excise Tax Act—the "manufacturers' sales tax" statute under which we raise about $1 billion a year for national purposes.

Of the many recommendations made by the Committee, none of any consequence have so far been adopted by the government.

The report is "under study", and next year, perhaps, the Act will be amended to clarify some of the confusing rules under which manufacturers are required to pay the 11% sales tax. (Yield for 1959-60 — $820 million.)

In the meantime, the Customs & Excise Division of the Department of National Revenue has issued a new "Circular ET 1" under current date, which supersedes the former regulations dealing with sales tax assessments.

Tax Collection Illegal in Past

The present Act originated with the Special War Revenue Act of 1915. Since that early date, the tax imposed has been a fixed rate based upon the "sale price" of manufactured or imported goods.

The statute today does not permit a manufacturer to pay any less than 11% of the "sale price" of his product.

For many years, however, the Department of National Revenue has, **in practice**, permitted tax to be paid on a "notional" sale price at a level below actual sale price if a manufacturer was able to show evidence of sales in "representative wholesale quantities" at a lower price.

The theory behind this practice has been that if a manufacturer sells regularly to wholesalers at $X per unit, that price is "representative", and should therefore be used as the tax base for all sales including sales to retailers and consumers at higher prices.

Sales at the higher prices involve costs of distribution as well as merchandising profit, which ought not to be included in the "base" of a **manufacturers'** sales tax.

No one has ever challenged this system — for the obvious reason that it involves a reduction of tax in particular cases. Nevertheless, it is illegal — that is to say, unauthorized by the Act—and this point was clearly made in the sales tax committee report.

Tax Dept. Discretion Set Previous Pattern

The Department has operated for years on the working principle that certain manufacturers are entitled to an "unlicensed wholesale branch discount" in computing "sale price".

For example, if the Widget Manufacturing Co. sells 50% of its output to independent wholesalers at $10 per widget, but sells the balance of its production directly to consumers at $20, it pays tax on $10 on all sales, direct consumer sales being granted a 50% discount.

The term "unlicensed wholesale branch" crept in to signify the rule that tax is payable when goods are shipped from plant to warehouse or "wholesale branch", rather than the later date when they are sold.

In other words, a manufacturer who pays tax under "discount" pays **before** he sells the goods. This procedure, of course, has no statutory foundation.

The difficulty with this practice in particular cases is that whenever a manufacturer complains that his discount is too small, he is met with the reply, "If you don't like the Department's ruling, you may pay on the **actual** sale price at the time of sale."

The result is that the incidence of tax in any case is wholly determined by sales tax assessors as a matter of discretion".

In fairness to the Department, it should be emphasized that the Excise Tax Act has been well administered.

The officials concerned with "wholesale price" determination have generally done an excellent job, and we are aware of no cases of undue hardship.

The unique fact concerning the Act is that such administration has been possible.

In any other country, we suspect that the system would have broken down under the weight of favoritism or corruption or both. We have been fortunate in the calibre of our tax officials.

Discretion is Still Basic to New Plan

The new regulations retain the discretionary system of tax assessment. Instead of "wholesale value", however, the sales tax will now be based (from July 1, 1959) upon "established wholesale price" or "determined wholesale value".

These are new terms. Established wholesale price is the price charged to independent wholesalers, or the price charged to the largest independent wholesale customer, if such sales amount to at least 15% of dollar volume.

If a manufacturer has no "established wholesale price", he may be given a "determined wholesale value" as fixed by the Department.

This means that he must submit his case for individual determination, and abide by the Department's ruling.

An interesting feature of the new regulations is that although "chain stores" and "department stores" are defined, **no provision is included for determination of taxable sale price of goods sold directly to consumers by integrated retailers.**

The regulations are also silent on the subject of "special brand" merchandise.

The regulations do contain new material on some subjects, such as taxable "printing for own use", repairs, containers and coverings, and transportation costs.

With regard to transportation costs, there is a new provision permitting manufacturers to deduct for sales tax purposes, delivery charges for goods caried in their own vehicles when they normally sell at a published price f.o.b. their plant.

And for those who appreciate a touch of midsummer madness, we warn all makers of peanut butter to be on guard for the exception affecting the certificates of licensed wholesalers:

"Except green peanuts, imported in the shell, see Regulation 36, Green Peanuts."

We don't recall whether peanuts are a vegetable or a confection, but the Tariff Board settled **that** question some years ago.

New $3 Million N. S. Causeway 35% Completed

From Our Own Correspondent

HALIFAX—Construction of a causeway-bridge across the Bras d'Or Lakes at Seal Island in Cape Breton (**FP** March 28) is proceeding on schedule.

The $3 million project will eliminate traffic bottlenecks created by ferry service.

Along with a 13-mi. highway across Kelly's Mountain to the lakes site, it is part of the Trans-Canada Highway system.

Causeway is about 35% completed. Another 400,000 tons of rock fill from Kelly's Mountain will be needed to complete the 2,200 ft. job which will run to a 2,456 ft. bridge.

Pentagon Construction Co. is the general contractor. **Municipal Spraying & Contracting Ltd.** of Halifax has sub-contract for rock fill. Bridge erection will be done by **Dominion Bridge Co.** and its Maritime subsidiary, **Robb Engineering Works**, Amherst.

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Pipelines

WESTCOAST TRANSMISSION CO., Calgary, Alta., reports consolidated net loss of $1,278,925 for year ended March 31, 1959, compared with a net loss of $2,796,333 for the six months ended March 31, 1958.

Complete plant is now running efficiently, President Frank M. McMahon reports.

Gas sales of wholly-owned subsidiary, **Westcoast Production Co.**, to the Westcoast pipeline totaled 13.5 billion cu. ft., and oil sales 22,272 bbl.

Subsidiary participated in the drilling of 13 wells and now has interests in 58 producing gas and seven producing oil wells.

In March, Alberta government granted permission to export gas.

Westcoast Transmission and **Alberta & Southern Gas Co.** (Canadian affiliate of **Pacific Gas & Electric Co.** of San Francisco) are applying for federal permission to build the 106-mi., 36-in. pipeline from Alberta through southeastern British Columbia to the international border.

Initial throughput of the two companies will be approximately 500 million cu. ft. daily, although line's capacity is approximately twice that.

Average sales of 300 million cu. ft. are expected to be enough to cover operating expenses, debt interest and debt retirement requirements at present gas purchase prices.

During the year 1960-61 gas sales of 440 million cu. ft. daily at a price of 9¼c are anticipated.

Westcoast has gas purchase contracts with a number of producers in the Peace River area. **Pacific Petroleums Ltd.** and associates contracted to supply 65% of the initial gas.

New fields in the Jedney-Bubbles area, where an extensive development drilling program is now in progress, is being connected to company's British Columbia gathering system.

This will require 24 miles of pipe from 10 to 12 in.

Engineering is proceeding on the 250-mi., 30-in. pipeline which will connect large new reserves in Fort Nelson district with Westcoast's mainline at Taylor, the president reveals.

During the year Westcoast built an 8-in. lateral gas gathering line north from the Kobes Creek 12-in. gas gathering line to a delivery point in the Townsend gas field.

Company Report

Phillips Petroleum Co., one of company's gas suppliers, will pay $319,500 toward line's cost.

Company was advised by its utility customers of substantial increases in gas demands beginning this fall, the president says. A marked improvement in earnings at an early date is indicated, he adds.

Straight line depreciation for the pipeline system is being modified to reflect a ratio of utilized capacity to installed capacity during the period of market build-up. Effect of this is to reduce depreciation during the first 18 months' operations by $4.7 million.

CONSOLIDATED STATEMENT OF OPERATIONS & DEFICIT

Years Ended Mar. 31:	1959	▪1958
Gas sales	$20,323,063	$8,228,427
By-product sales	1,658,532	321,817
Misc. revenue	85,537	33,833
Total revenue	22,067,132	8,584,077
Less: Gas purchases	4,637,516	1,812,285
Operating exps.	5,022,941	2,224,544
Depreciation▲	3,964,199	3,153,197
Depletion	508,892	257,990
Tax, other than inc.	1,009,773	248,741
Operating profit	6,923,811	887,320
Add: Inc. from invests.	58,807	127,684
Net earnings	6,982,618	1,015,004
Less: Int. on long-term debt	7,720,962	3,873,853
Amort. of debt disct., etc.	142,153	71,076
Int. chged. to const.*	195,308	394,910
Exploratory costs	491,201	259,318
Loss on exch., etc.	102,559	......
Net loss	1,278,925	2,796,333

*Credit.

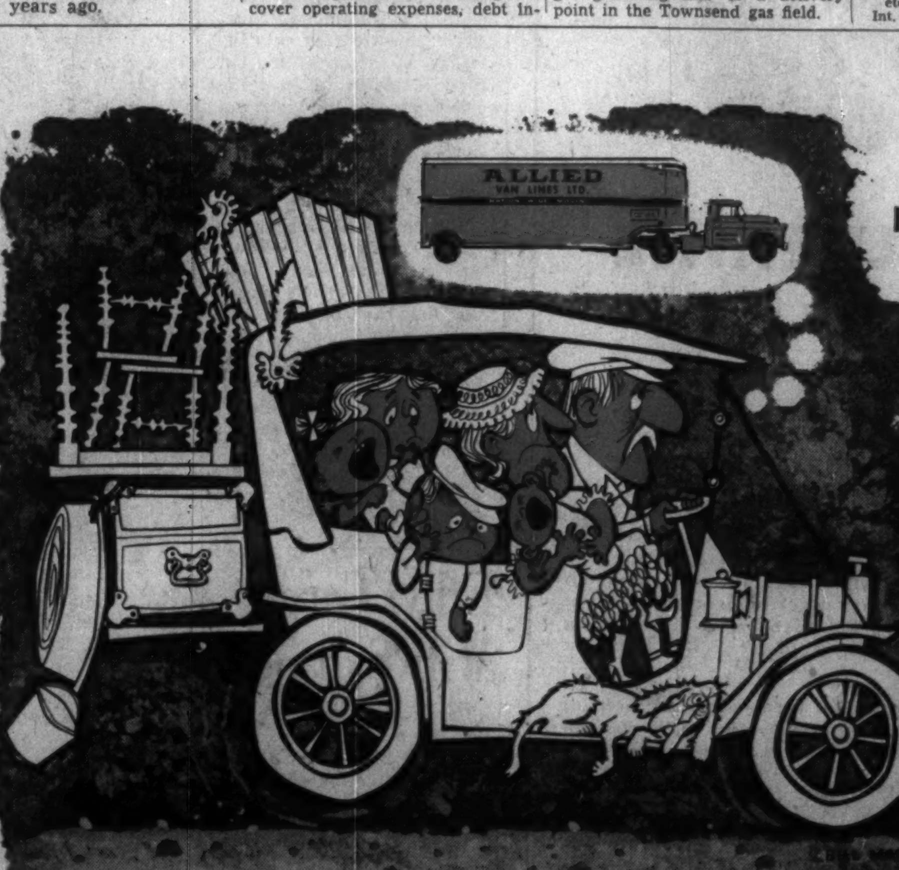
▲Initially calculated on straight-line basis; adjusted in 1959 to reflect ratio of capacity used to installed capacity of pipeline, thereby reducing depreciation and decreasing loss by $3,046,908. For six months ended Mar. 31, 1958, depreciation restated in accounts on a comparable basis at $1,658,084.

▪Six months.

CONDENSED CONS. BALANCE SHEET

As at May 31:	1959	1958
Cash	$5,369,723	$7,025,963
Accts., etc., rec.	2,402,438	3,530,171
Mkt. sec.†	197,457	197,457
Inventory	2,150,836	1,863,602
Prep. exp. & deps.	3,515,792	2,684,903
Total curr. assets	13,636,245	15,302,098
Plant, prop. & equip.*	206,054,325	205,046,364
Def. loans rec.	48,326	63,363
Unamort. bd. disc. & exp.	2,603,062	2,745,214
Other assets	173,360	643,101
Total assets	222,515,328	223,802,139
Accts., tax., etc., pay.	1,658,621	3,367,298
Bond & debent. int.	1,933,195	1,951,378
Funded debt instal.	5,824,449	......
Total curr. liabs.	9,416,265	5,318,676
Deferred liab.	167,801	279,668
Funded debt	164,055,308	169,857,035
Capital stock	48,997,644	48,987,205
Capital surplus	141,500	2,000
Deficit	263,280	642,438
†Mkt. value	161,783	142,700
*After depr. & depl. of	6,220,950	3,430,098
Working capital	4,219,980	9,983,422

GEORGE WESTON LTD. in June issued 220 class A shares on surrender of 4¾% Series "B" debenture warrants. Outstanding —1,373,792 class A shares.



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Consolidated Balance Sheet of

CANADA PACKERS LIMITED

(Incorporated under the laws of Canada)

March 25, 1959

(with comparative figures at March 26, 1958)

ASSETS

	1959	1958
Current:		
Cash on hand	$ 75,436	$ 75,562
Trade accounts receivable (after provision for losses)	28,024,615	22,245,671
Inventories— Products, materials and supplies on hand, in transit and committed for—valued at the lower of cost or market, less reserve of $6,000,000	37,906,168	38,765,278
Life insurance (cash surrender value)	342,214	324,070
Prepaid expenses	919,848	1,041,849
Sundry advances and balances receivable	703,909	956,307
TOTAL CURRENT ASSETS	$67,972,190	$63,408,737
Investments in securities—at cost less amounts written off	793,934	651,897
Land, buildings, plant and equipment—at cost or at depreciated appraisal values for assets appraised in the years 1919-1927	$69,342,699	$66,598,433
Less accumulated depreciation	44,619,021	41,315,269
	$24,723,678	$25,283,164
Goodwill	$ 1	$ 1
	$93,489,803	$89,343,799

LIABILITIES

	1959	1958
Current:		
Borrowings	$ 9,603,570	$10,163,988
Liability to banks for cheques issued but not yet cashed	11,550,798	11,071,498
Accounts payable and accrued charges	14,382,945	12,938,066
Provision for income, sales, municipal and other taxes	4,474,496	4,422,138
Dividends on Class A and Class B shares payable April 1, 1959	1,050,000	1,050,000
TOTAL CURRENT LIABILITIES	$41,061,809	$39,645,690
Surplus on appraisals	5,663,432	5,663,432
Interest of minority shareholders in subsidiary companies	762,148	667,176
Capital: Authorized and issued— 400,000 Class A shares of no par value; 800,000 Class B shares of no par value	1,438,284	1,438,284
Earned surplus	44,564,130	41,929,217
	$93,489,803	$89,343,799

Statement of Consolidated Earned Surplus
(FOR THE YEAR ENDED MARCH 25, 1959)
(with comparative figures for 1958)

	1959	1958
Balance at credit, beginning of year	$41,929,217	$37,056,414
Transfer of reserves provided in prior years, not now required	—	2,000,000
Net profit for the year	4,734,913	4,972,803
	$46,664,130	$44,029,217
Less two dividends of 87½¢ per share on Class A and Class B shares	2,100,000	2,100,000
Balance at credit, end of year	$44,564,130	$41,929,217

Saskatchewan Bids For U.S. Capital

Here's how a two-man team is driving to create a favorable climate for international trading in securities . . .

From Our Own Correspondent

REGINA—A provincial cabinet minister and a top civil servant are leading a Saskatchewan drive to get more U.S. investors to participate in the province's mineral and industrial development.

The men: Attorney-General R. A. Walker, and Walter Cameron, chairman of the Saskatchewan Securities Commission.

Their method: An attempt to encourage stock selling and trading in the province.

Saskatchewan recently arranged with the U.S. Securities & Exchange Commission that securities of Saskatchewan origin offered to U.S. citizens be registered with the SEC.

Following this deal, Saskatchewan made a pact with New York State for co-operative enforcement of laws against securities fraud.

Saskatchewan now requires traders in Saskatchewan registered securities selling into the U.S. to comply with the U.S. law.

Walker says: "We feel we need large amounts of U.S. capital for development of Saskatchewan resources, but we have no right to approach U.S. investors unless we guarantee them the same protection against fraud that they get in their own country."

Working as a team, Walker and Cameron are likely to become widely known in Canadian securities trading circles.

WALKER

Already, the pair is well known to securities administrators. Some, incidentally, object to the presence of Walker, a cabinet minister and politician, at meetings of the administrators, who are civil servants.

Many investment men are skeptical about the ambitious plans of the two men.

On the other hand, they welcome the indications of a stronger hand in regulation of securities trading in Saskatchewan that the team is developing.

Walker, a young-looking 42, is 6 ft. 5 in., bespectacled and serious. As the only lawyer on the government side of the legislature, he was the obvious choice for the post of attorney-general when his predecessor, J. W. Corman, retired from politics in 1956.

He was born in Regina and educated at Mazenod, Sask., and at the University of Saskatchewan, Saskatoon. He was first elected to the legislature as member for Hanley constituency in 1948. He was re-elected in 1952 and in 1956.

Walter Cameron, although still young, has a 13-year background in the interpretation and enforcement of securities legislation. Before coming to Saskatchewan about a year ago, he was counsel for the Ontario Securities Commission. He is well known in the securities business as author of a lucid summary of securities legislation, administration and marketing in Ontario.

At the moment, much of Cameron's time is occupied with a series of hearings in which distributors of securities in the province are under investigation. As a result of his action, one brokerage firm was prosecuted last spring and registration suspended after payment of a fine.

CAMERON

Currently another Saskatoon firm is under investigation before the commission.

The idea of requiring U.S. registration of securities and compliance with U.S. securities law was tried on a limited scale by Ontario a few years ago. It was dropped because the benefits were considered questionable, and the costs and complications numerous.

However, Walker and Cameron believe that trading in stock issues which have the blessing of both the SEC and the SSC should respond to such stimulus.

As Walker puts it, Saskatchewan will provide a more favorable climate for international trading in securities than most other provinces in Canada as a result of the arrangement.

Many letters of congratulation, he says, have been received from investors, and others, in the U.S. The government has also been approached by a number of Toronto broker-dealers, who asked whether it would be favorable to an application for a stock exchange charter in the province.

While the inquiries have been merely exploratory and the idea still "nebulous", says Walker, "we can foresee that there will be enough interest generated to make the government consider it."

Dual registration and mutual agreement to enforce securities fraud legislation could, in his opinion, "create an enormously successful market."

As an added stimulus, he says, SEC regulations do not prohibit the use of long-distance telephone calls for making "cold" contacts with prospective investors and neither does the Saskatchewan Securities Act. The reliance, in both cases, is in enforcement of frauds prevention legislation, and on full disclosure in prospectuses filed with them.

(Most provinces' security laws forbid "cold" calls, as a means of protecting the public from fast-talking stock pushers.)

Under Walker's interpretation of the Saskatchewan Securities Act, supported by Cameron, the mere acceptance of a telephone order for a stock does not constitute a breach.

Nor will there be a breach provided payment is not accepted under the order until a prospectus and a confirmation of the order go out to the purchaser of the stock.

The arrangement is already working, according to Cameron. **Prairie Fibreboard Ltd.**, Saskatoon, has had its securities registered by the SEC in Washington by **Allied Securities**, also of Saskatoon. The filing was completed in a few weeks, under the long form.

The Saskatchewan law, says Walker, permits a much lower "mark-up" during the course of primary distribution of a stock than the general average in Canada.

It allows, for example, a 100% mark-up on new shares being offered.

(In Ontario, the rule-of-thumb since 1953 has been that the spread may go as high as 200% on stocks priced at 10c to 25c a share. The permitted spread diminishes as the price per share rises.)

Saskatchewan also forbids an unlimited mark-up after all the stock involved in an underwriting has been taken down and fully paid for.

Setting up a stock exchange in Saskatchewan is not necessarily a requisite to making the SEC-SSC arrangement work, Walker says, "but it would undoubtedly facilitate it and make it work more effectively.

"This exchange would be in the nature of a communications exchange directed at primary financing through it," Walker said. "Restriction of primary financing to direct offerings is not contemplated," he added.

The government would have no part in the formation of such an exchange, Walker emphasizes, except to grant it a charter to do business.

It is unlikely that formation of an exchange would be practical unless a minimum of 12 broker-dealers were interested in joining, he suggested. More members than that would give it a better chance of success.

A substantial influx of broker-dealers from all parts of Canada, particularly Ontario, is expected by Walker within the next year or two.

If this happens, the question of setting up an exchange will be a practical and immediate matter for broker-dealers to consider, he feels.

Walker is not, however, prepared to speculate about how they will go about the project. This and the matter of membership fees and premises would be strictly their business, he says.

Oil Search Stepped Up In Maritimes

Special Correspondence

HALIFAX — Search for oil in commercial quantities in the Maritimes is getting hotter.

Imperial Oil Ltd. will start to drill on Cape Breton within a few weeks.

Early exploration work on some 280,000 acres in the Lake Ainslie area, south of Inverness, was undertaken in summer of 1956. Company has now decided that results justify moving in a drilling rig.

Meanwhile **Mobil Oil of Canada Ltd.** plans geophysical surveys on 60,000 acres on Nova Scotia's desolate Sable Island (**FP**, July 18).

In 1930 and 1931 Imperial drilled wells on the Nova Scotia mainland at Amherst and Pictou, both were dry. Within the last few years company has confined its Maritime drilling to Prince Edward Island and New Brunswick.

Inverness county has had an intermittent but unrewarding interest for oil men since 1864 when two unsuccessful wells were drilled near Lake Ainslie.

Further wells were drilled about 60 years ago but they were relatively shallow and did not provide an adequate test of the area's possibilities.

Imperial Oil recently moved (**FP**, July 4) a staging rig to Pollett River in the search for oil in New Brunswick.

Room for You in Calgary's Traffic Control Program?

From Our Own Correspondent

CALGARY — Got any smart, cost-cutting construction techniques?

Calgary is the place to sell them. The city has ambitious plans for tightening the reins on the traffic menace.

This 75.8 sq. mi. city, faced with a growing population (expected to double the present 230,000 by 1980) and the growing number of cars (expected to triple the present 78,000 registrations by 1980) city fathers are taking a closer look at the future.

The gist: **An elaborate, long-range program of freeways, expressways, and parking ramps, with a minimum of traffic headaches in the downtown business area.**

This program comes in the wake of traffic committee report —which took a year and a half to prepare—and included traffic counts on major and minor arteries, door-to-door interviews, and heavy "boning-up" on traffic problems in other cities.

The report proposes a freeway, a fully controlled access highway with a median strip separating opposing traffic.

At the same time it proposes an inner-ring expressway, surrounding the down-town area, which would allow for travel from one side of down town to the other without using streets in the city centre.

To ease the parking situation, city fathers are trying to persuade **CPR** to convert some 100 acres of right-of-ways to be used for six parking ramps for 6,000 cars. The five-ramp structure would be strategically located to fit with the expressway pattern.

"Their endorsation of the parking-ramp scheme would save wasted trackage," Mayor Don Mackay told **FP** "and would help us in long-range planning."

The ramps would straddle both sides of the mainline tracks in the downtown area.

The traffic committee report also recommended:

- **Construction of six new bridges** in the next five years. (The city now has 10 bridges over the Bow River and seven over the Elbow River)
- **Removal of on-street parking** within 500 ft. of any off-street parking lot.
- **Replacement of all central business district signal controllers** with electronic controllers.
- **Present major trolley routes be maintained** but provisions be made for doubling the transit fleet by 1980.
- **To supply space for short-term parking** but that long-term or all-day parking be satisfied by private interests.
- **Prohibition of large trucks** (over 28 ft.) in the central business district after track terminals are set up in other parts of the city.

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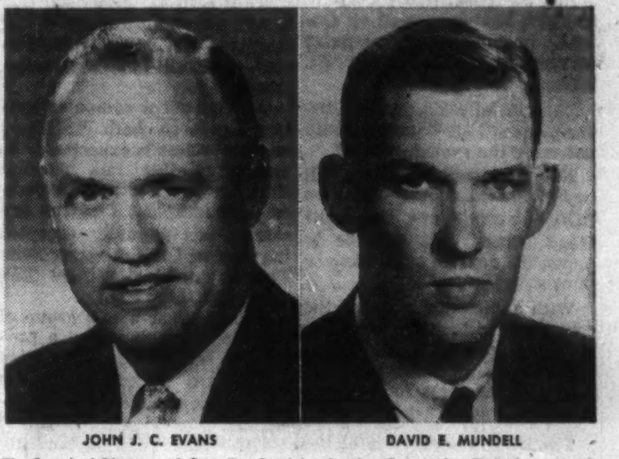
ANNOUNCEMENT



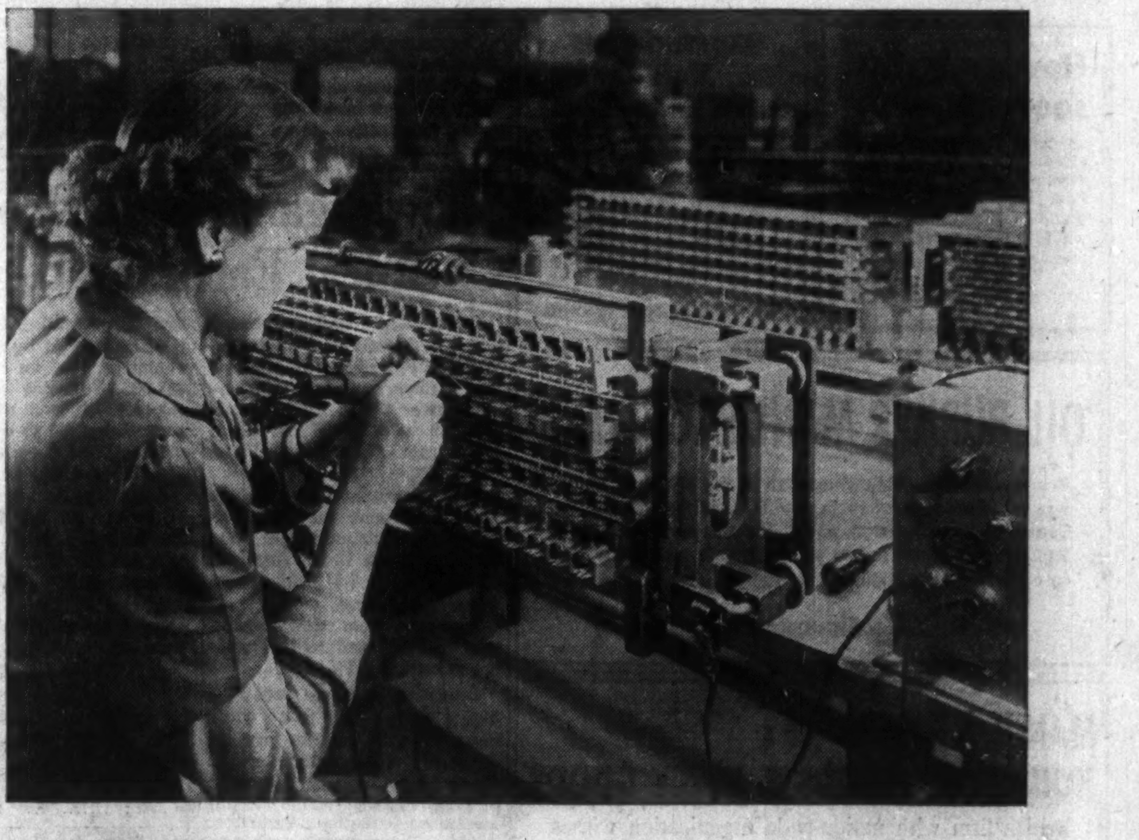
JOHN J. C. EVANS DAVID E. MUNDELL

The Board of Directors of Canadian-Dominion Leasing Corporation Limited announces the appointments of Mr. John J. C. Evans as President and Mr. D. E. Mundell as Vice-President of the corporation.

A native of London, Ontario, Mr. Evans is a graduate of the University of Western Ontario. A former officer of the Royal Bank of Canada, he is well known in Canadian financial and mining circles.

Mr. Mundell is a native of Montreal and a graduate of McGill and Harvard Business School. He was formerly with the Du Pont Company of Canada.

Canadian-Dominion Leasing Corporation Limited is an affiliate of United States Leasing Corporation with a substantial Canadian shareholder interest. The first comprehensive equipment leasing service in Canada, CDL will lease all types of capital goods to companies throughout Canada.



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2059-28

How Electronics Will Speed Up Stock Business

The mountain of stock exchange paperwork can be reduced to a jet-age molehill of punched cards and tapes.

That's the electronic promise held out by computer men.

When? Not next month. Not next year. But by 1961, investors and dealers should see the first results of the revolution already under way.

In Toronto, stock exchange members have approved the estimated $5-million cost of electronic equipment to speed up transactions and quotations.

Such an installation, as it is now envisaged, would carry out most of the tedious, time-consuming operations now performed, not only by the TSE but by its members as well.

But no final decision to proceed with such an installation—and therefore no final choice of a supplier—has been announced by TSE. Although well guarded, the exchange's plans are believed to be far advanced.

In New York, **Radio Corp. of America** has announced an October opening of a computer service centre for Wall St. brokers.

This installation, unlike the one proposed for Toronto, would not serve the exchange itself.

New York brokers' offices will be linked continuously with two RCA 501 computers. The brokerage houses' role will be to punch the data on paper tape or punch cards.

With a click and a whirr, the computers will receive the brokers' data, process it, and speed it back with as many pieces of paper as the most form-happy bureaucrat might wish.

The RCA is believed to be the first computer centre serving competing clients on a continuing basis.

Since data will be transmitted to the centre in the form of punched holes which are meaningless to the on-looker, secrecy will be preserved.

One of New York's best known investment houses, **E. F. Hutton & Co.,** signed the first contract with RCA. Negotiations between RCA and several other medium-sized brokerage firms are nearing completion.

Timetable calls for the centre to begin operating experimentally in October, to start serving Hutton in January, and to be fully operational by mid-1961.

Pioneering computer installation on Wall St., and still the largest, is that of **Merrill Lynch, Pierce, Fenner & Smith.** Its two IBM 705s in New York handle much of the record-keeping for the firm's 125 scattered branch offices.

The Toronto office of Merrill Lynch is believed to be the only Canadian brokerage office now served by a computer.

When the TSE eventually establishes its computer system, there is a strong likelihood that it will incorporate many of the features, and benefit by the lessons, of Merrill Lynch's installation.

Decision on a computer system to serve both TSE and brokers' offices is expected to be announced this fall, perhaps simultaneously with the expected announcement that the exchange has formally accepted the offer of U. K. financier Felix Fenston to build a new TSE home (**FP**, May 30).

About a year ago, a group of TSE members discussed a proposal to establish a co-operative punch-card system to handle paperwork of the various participants.

This plan was apparently abandoned when the exchange's own all-embracing installation was suggested.

The TSE already operates a small electronic system providing instant stock quotations when a customer in a broker's office dials a three-digit number.

This is supplemented, in 22 Toronto members' offices, by a Teleregister board which automatically registers the latest bid and asked price as any change takes place on the floor of the exchange.

Customers in these 22 offices can watch the changing market pattern of 60 stocks, chosen by the brokerage firm from a list of 300 most active stocks available for this service.

Alberta Bids to Beat B.C. As West Industry Leader

From Our Own Correspondent

EDMONTON — Alberta is making a fresh bid to clinch industrial supremacy in the Prairie Provinces and challenge British Columbia.

Sparking the bid are plans of **Calgary Power Ltd.** for a $45 million hydro power and water storage development on the Brazeau River, 96 mi. southwest of Edmonton.

An immediate start will be made on building a tote road through the wilderness to transport supplies and equipment to the site.

When the equipment is moved in, crews will begin preliminary work such as gravel washing and stockpiling to clear the way for construction in 1960.

The company plans to build a 10 million cu. yd. earth-fill dam 2 mi. long and 230 ft. high, creating a 37-sq. mi. artificial lake, approximately 10 mi. long and 3 mi. wide.

The reservoir will contain some 900,000 acre-feet of usable water storage.

The project also involves building a 12-mi. canal below the dam to provide water for the power house which will be located at the bottom of the 400-ft. Brazeau Canyon.

This location is about 6 mi. upstream from the point where the Brazeau River joins the North Saskatchewan River. The latter flows through Edmonton.

At the outset, a 200,000 hp. generating power unit will be installed. Three more additional units may be installed later.

Company officials say this is a four-year project. The plant would be expected to provide some power for peak load demands in the latter part of 1963.

The development is claimed to have certain benefits.

- **The storage of water** can be used to increase the winter flow of the North Saskatchewan, and provide more water for industry.
- **It also would serve** to relieve the river pollution problem.

At Dec. 31, 1958, the capacity of the power plants in Alberta was 718,000 kw., compared with 165,000 kw. at Dec. 31, 1948, according to the last annual report of the Alberta Power Commission.

The report said further:

The vast energy resources of Alberta consisting of hydro plant sites, half of the mineable coal of Canada and a very large percentage of all the oil and gas resources of Canada, place the province in a very fortunate position.

"Energy resources are not confined to the southern half of the province. The total hydro potential of northern Alberta exceeds 2,700,000 hp., of which 1,600,000 hp. is available on the Athabasca River," says the commission's report.

Calgary Power now has a plant capacity — hydro and thermal — of 485,000 hp. in Alberta.

At Wabamun, 40 mi. west of Edmonton, it has the largest steam plant in Alberta, located on deposits of millions of tons of coal.

The two units in this plant have a total capacity of 176,000 hp. and plans are being made to double plant capacity.

Doctors Spill the Beans To Promote Public Health

The medical profession will draw the gauze curtain to reveal some of its secrets to the public at Mediscope '59 — a week-long exposition to be held at the Canadian National Exhibition in Toronto, Oct. 12-17.

Says the Ontario Medical Association, sponsor of the event:

"For the first time in Canada, and on a scale believed to be the largest ever attempted on this continent, modern medicine is opening its doors to the public.

"The 5,800 members of the OMA will be host to an expected 250,000 people of all ages wanting to hear and see the latest methods and techniques used in the diagnosis and treatment of injury and disease.".

Aim of the show:

To create better health practices among the people of Ontario.

The doctors say they want to show the public how modern knowledge, techniques and equipment are reducing and even eliminating ill effects of disease and injury which were once either fatal or brought permanent disability.

"Above all," says the OMA, "the doctors of Ontario want to erase some of the fear of the unknown created in the minds of people who either now, or in the future, seek medical attention."

Here are some of the highlights scheduled for Mediscope '59:

- **A specially constructed transparent, talking woman** to explain the main functions of the human body.

The bones will be made of metal and the organs, which will light up, are of plastic.

Through this exhibit the public will be taken on a tour of the human anatomy, stopping at the larynx, thyroid glands, lung, heart, liver, gall bladder, spleen, pancreas gland, stomach, colon, rectum, kidneys, bladder, ovaries, uterus.

- **Birth of a baby** exhibit will tell the story of birth from time of conception to delivery. Models showing the various stages of growth over a nine-month period will lead up to a portrayal of delivery.
- **A pathology laboratory** will be opened to the public to see how pathologists and technicians do their tests.
- **An exhibit on how the heart works.** A multiple stethoscope arrangement will allow the audience to listen to both normal and abnormal heart beats.
- **A demonstration on present-day methods in treating mental illness.**

Doctors will be on hand at all exhibits to answer questions.

The OMA says the show will be free to the public "and will not contain any commercial advertising. Business and industry are co-operating by underwriting the major share of the cost of producing the exhibits."

METRO STUDY

Edmonton Area Delegates Fight Annexation Scheme

From Our Own Correspondent

EDMONTON — A population of more than 345,000 is involved in a sweeping metropolitan scheme discussed here recently.

More than 50 delegates from adjacent districts formed the Edmonton Metropolitan Association to study various aspects of civic administration.

Referred to the various municipal councils for approval or rejection were resolutions calling for:

- **Equality of revenue** for education in the Edmonton area, through formation of a metropolitan school district.
- **A district service board** to control water supply, river pollution and district drainage and act as bargaining agent on power and gas rate cases.
- **Public transportation and fire protection** to be provided on a district basis.
- **Police forces to be co-ordinated.**

The conference also sought to throw a roadblock at the city of Edmonton's efforts to annex certain municipal areas, as recommended in 1957 by the McNally Royal Commission on metropolitan problems.

A resolution from the "metro" meeting asks the Board of Public Utilities Commissioners to take the conference resolutions under consideration before making any decision on Edmonton's annexation application.

Edmonton (population 260,000), seeks amalgamation with Jasper Place, (24,000) and Beverly, (7,000).

A plebiscite in Jasper Place favored joining Edmonton. Beverly has applied for union. Amalgamation with portions of the municipalities of Strathcona, Stony Plain and Sturgeon River also is sought by Edmonton.

In the last dominion census, Strathcona had a population of 8,873, Stony Plain, 8,491, Sturgeon River, 13,865, and Leduc, 11,497.

The "metro" plan also embraces the towns of Fort Saskatchewan (population 3,500), Leduc, (2,300), and St. Albert, (2,200).

The estimated population of the areas outside of Edmonton is 85,000.

The City of Edmonton was represented at the "metro" conference but its delegates did not vote.

The conference also was attended by representatives of the Edmonton district planning commission and the provincial government's Municipal Affairs department.

Another meeting of the general conference will be called as soon as there is time for the various municipal districts and town councils to act on the resolutions and the establishment of the metropolitan body.

West. Canada $4.4 Million Leaseback Deal

Tankoos Yarmon Ltd., Toronto, in the latest step in a planned program of real estate investment in Western Canada, has completed a $4.4 million leaseback transaction involving the Calgary and Edmonton warehouses of **Horne & Pittfield Foods Ltd.**

Tankoos Yarmon's program began with purchase of downtown commercial properties in Edmonton and Vancouver in a $500,000 transaction early in June.

Horne & Pittfield sold the two warehouses to Tankoos Yarmon and leased them back for an initial 25-year period as part of a recently announced capital reorganization program.

Operating under a franchise from the **Independent Grocers Alliance,** Horne & Pittfield serves as wholesale supply depot for 61 IGA and **Much More** stores in Alberta and British Columbia.

Tankoos Yarmon recently completed a $425,000 leaseback deal (**FP**, July 18) with **Underwood Ltd.** in Halifax.

Shawinigan Profit Drops Chemical Earnings Higher

MONTREAL (Staff)—Consolidated net profit of **Shawinigan Water & Power Co., St. Maurice Power Corp.** and **Southern Canada Power Co.** in the first half of 1959 was $6,300,152, down 11% from $7,081,843 in first half 1958.

This represents earnings of 71c per common share (7,638,383 shares outstanding at June 30) against 84c in the first half of 1958 when 7,378,704 shares were outstanding.

Revenue from power sales was up 7.8% and total operating revenues 8.1%.

Operating expenses were 10% higher due largely to an additional $815,155 paid for increased power purchased under the Bersimis contract, an increase of $768,717 in provision for depreciation resulting from start-up of company's Beaumont development, and an increase of $783,835 in income taxes.

Credit to income arising from interest charged to construction was only $54,698, compared with $954,073 in 1958, due to completion of the Beaumont plant.

Earnings of **Shawinigan Chemicals Ltd.** for the first half were considerably higher than in corresponding 1958, company says.

Here are the half-year results in detail:

	First Half 1959 ($000)	1958
	$	$
Rev. power sales	37,594	34,875
Add: oth. oper. rev.	604	458
Less: op. exp.	29,288	26,625
Add: non-op. income	820	1,776
Less: interest	3,159	3,132
Div. on S. Can. pfd.	248	248
Div. on S. Can. common	23	21
Net profit	6,300	7,081

THE INVESTMENT FUNDS

All-Cdn. Assets Rise 9.7% Fund Keeps Ford Shares

All-Canadian Funds, Vancouver, total assets amounted to $24,640,218 at June 30, 1959, an increase of 9.7% over $22,460,642 at April 30, 1959.

At June 30, net asset value per compound fund share was $8.05 and per dividend fund share, $6.62 ($6.44 and $5.51 respectively a year ago).

In the second quarter, the funds added two common stocks to the portfolio and eliminated two.

Eight common stock holdings were increased and one was reduced.

Fund added to its Ford of Canada holdings. "We believe Ford of Canada A will be worth more than $180 per share" offered by U. S. Ford, President W. J. Borrie states.

Here are the portfolio changes in detail:

	Amount held at June 30/59	Change since Mar. 31/59
Algoma Steel	27,950	+2,000
Aluminium	70,000	+3,000
Atlas Steels	41,200	+24,000
Building Products	....	—4,370
Canadian Oil	30,650	+8,650
Consolidated Denison	24,500	—9,000
Ford of Canada A	11,500	+1,000
Hollinger Cons	9,000	+9,000
Hudson Bay Mining	20,400	+4,000
Labrador Mining	23,500	+12,500
Steep Rock Iron	87,800	+12,000
Texaco Canada	2,940	+2,940
Traders Finance	....	—16,600

Nova Scotia Bank Makes Promotions In Staff Changes

J. D. SIMMILL, assistant accountant, West End, Calgary, to be manager, Choiceland, Sask.

N. LEMIEUX, to be accountant, Buckingham, Que.

J. H. SOLLOWS, assistant accountant, Truro, N.S., to be accountant, St. George St., Moncton, N.B.

M. N. WYTIUK, to be accountant, Queensway and Smithfield, Toronto.

T. M. SMITH, to be assistant accountant, St. John's, Nfld.

Manitoba Co-ops Merge To Seek Bigger Market

From Our Own Correspondent

WINNIPEG — Three Manitoba co-operatives which last year processed more than $5 million in agricultural products have combined to try for a larger share of the national food market.

The member firms are **Co-Op Vegetable Oils,** Altona, **Winkler Co-Op Creamery** and **Co-Op Prairie Canners,** whose plant is also at Winkler.

They have formed **Gardenland Packers Ltd.,** a central selling and distribution agency.

All three were organized in the 1940's on a co-operative basis.

Co-Op Vegetable Oils' $1 million plant and assets have been paid for from earnings.

It was started by Mennonite farmers of the district to extract oil from sunflowers.

Last year it completed a $275,000 modernization overhaul.

It built its own elevator in 1949 and a year later a $250,000 refinery.

In the same year, to keep the plant busy for a longer time during the year, steps were taken to process soybeans, now an important part of its operation.

Rapeseed was added on request of farmers in the inter-lake area. In recent years its purchases of rapeseed have exceeded 15 million lb.

Prairie Canners was formed a few years ago as a producer's co-operative.

It took over a building which had fallen into disuse but had equipment which never was used to its capacity, chiefly because of lack of money.

With new management and contributions from its members it made the plant a money-maker.

Last year it sold 125,000 cases of canned peas, beans and corn worth $416,000.

This year it is likely to exceed that total. It can double its annual output with present equipment.

In 1958 it sold for the first time to big volume chain stores.

The plant operates about 40 days a year, employs 170 in three shifts six days a week.

Its supplies in 1958 were produced by 110 nearby farmers some of whom averaged better than $100 an acre for their crop.

At present it is negotiating for other types of contract to lengthen its season.

Winkler Co-Op Creamery started from a $586 investment in 1940. Once in operation it increased annual sales from less than $100,000 to a high last year of more than $2 million.

Founded as a creamery it now produces cheese, ice cream, cottage cheese, has a milk pasteurizing and packaging plant, an egg grading station, and a $75,000 poultry processing and grading plant.

Its present membership is more than 3,000.

The products of the three member co-ops will be marketed under a "Gardenland" label.

Manager and president of the new agency is Peter Brown, a former school teacher of Winkler.

Union Acceptance Net Down 2.8%

Union Acceptance Corp., Toronto, consolidated net profit for the six months ended June 30, 1958, was 2.8% lower at $180,825 ($186,022 in first half 1958), equal to 42c (43c) per common share.

"Indications are that operations for the second half of the year should be satisfactory," states G. Fleming Edgar, president.

Company's reserves for unearned income at June 30 amounted to over $1.9 million, an increase of 6.3% on the $1.8 million a year ago.

Here is Union's statement:

6 Months Ended June 30:	1959	1958
Operating profit	$51?,033	$462,829
Less: Interest	150,184	104,545
Income taxes	184,024	172,262
Net profit	180,825	186,022

OPPORTUNITIES

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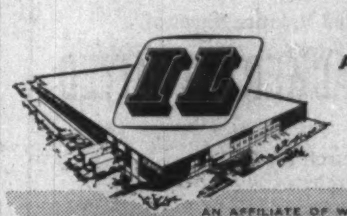
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Watch for New Trade Deal Between Canada and Russia

OTTAWA (Staff) — There are indications of a "breakthrough" in the Russia-Canada trade talks. Signing of a new agreement may be just around the corner.

Probable next step: A Canadian trade delegation will go to Moscow to add final touches to a new agreement, and to sign it on Canada's behalf.

The last Russia-Canada trade agreement ran for three years and expired in February. It obligated Russia to buy at least 14.5 million bu. of Canadian wheat a year.

The new agreement will probably commit Russia to buy a smaller amount of wheat—perhaps 11-12 million bu. a year—and it could contain a clause raising this minimum if Russian exports to Canada increase.

What the diplomats call "preliminary informal discussions" on a new trade agreement began here last November, recessed last month (FP, June 13).

The stumbling block: Canada is not a state-trading country and we can offer no equivalent concession to the Russian commitment to buy a specific quantity of Canadian wheat.

Trade under the last agreement favored Canada. The Russians bought $19 million of Canadian products last year, of which $11 million was wheat. We bought Russian goods worth only $1.6 million.

Any new agreement would also be more favorable to us than to the Russians, unless the government committed itself to bulk purchases of Russian products. This, of course, Canada will not do.

Most of the trade talks here have been devoted to explaining this to the Russians and convincing them that we mean it.

The breakthrough may have come 10 days ago when Ivan Kabanov, a member of the Russian "council of ministers" whose responsibilities include some trade negotiations, quietly visited Ottawa.

Kabanov had the authority to assent to the principles underlying a new trade agreement, even though the Russians might regard the terms as unfavorable.

The last Russia-Canada trade agreement was signed by a Russian delegation in Ottawa. It would be proper diplomatic procedure for a new one to be signed by a Canadian delegation in Moscow.

Final "negotiations" will likely take place there, even though the principles involved have been settled by the "preliminary informal discussions" here.

Ore Windfall For Steel Co.

A small but welcome iron ore windfall has come to **Steel Co. of Canada.**

Two ore carriers filled with iron pellets from upper Michigan mines and bound for the ore docks of a strike-bound U. S. steel plant have been diverted to Stelco's ore docks at Hamilton. The shipments total around 30,000 tons.

The U. S. steel strike has closed down the ore dock facilities of all the major firms affected, so that ore carriers are not able to discharge their cargoes.

Quebec Hydro 5% Issue Sold

MONTREAL (Staff)—An issue of $50 million 5% 25-year debentures of Quebec Hydro-Electric Commission has been sold in the U. S. by a syndicate headed by **First Boston Corp.** and **A. E. Ames & Co.** Price to the public was par.

The issue sold out quickly and has since moved to a slight premium.

The debentures mature July 15, 1984.

They are redeemable after July 15, 1969 at 104, the premium decreasing thereafter to par at maturity.

Price to Quebec Hydro was 99 indicating effective cost of 5.07% Proceeds are to finance the commission's current expansion program (**FP**, July 4).

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News and views on the British securities markets, specially written for FP by one of London's distinguished financial writers.

High Interest Rates Attract U.K. Buying in U.S. Market

A LONDONER'S FINANCIAL NOTEBOOK

AFTER its long upward climb, the market in ordinary shares has turned easier. Small selling of industrials has been accompanied by renewed investment support for Government bonds.

Main influence has been the growing belief that a general election will be held this autumn and that the time has come for investors to take defensive action.

One side effect has been the reappearance after an absence of several months of the premium payable by U.K. investors on purchase of dollar securities.

Some buyers have been going into short-dated U.S. securities following the rise in interest rates in that country. **So far there is no sign of any major swing to Canadian stocks.**

At the moment of writing, the premium is 2½%, which is small compared with the level two years ago. But if demand builds up over the next few weeks for U.S. and Canadian securities, it could well move higher.

The firmer trend in the fixed interest market is smoothing the way for some important capital - raising projects, among them a £10 million debenture issue for the **Industrial & Commercial Finance Corp.**

This organization provides finance for small and medium sized businesses where, for one reason or another, the normal bank and stock market facilities are not readily available.

• • •

Streamlining of the U.K. aircraft industry has taken an interesting step forward in the acquisition by **Westland Aircraft** of the share capital of **Saunders-Roe**, an Isle of Wight company in which the **de Havilland** group has a large interest.

Westland Aircraft, which is associated with the **John Brown** shipbuilding and engineering combine, specializes in helicopters. It is paying about £1.7 million for the Saunders-Roe shares.

Saunders-Roe also makes helicopters, but has several other interests, including the revolutionary new Hovercraft which rides on a cushion of air above the water.

Helicopter activities of both companies will go under integrated management. **The merger will result in the formation of the largest helicopter manufacturing group outside the U.S.**

De Havilland is selling its Saunders-Roe shares to Westland, but at the same time is acquiring outright the two main Saunders-Roe subsidiaries.

These companies, **Saunders-Roe (Anglesey)** and **Saro Laminated Wood Products**, are engaged in marine and general engineering and in plastics manufacture and development.

Their acquisition is in line with de Havilland's policy of diversification, made necessary by the uncertain outlook on the aircraft side.

One of the jobs being undertaken by Saunders-Roe is a feasibility study on atomic - powered submarine cargo vessels.

A likely use for these vessels, if the technical problems can be overcome, would be the carrying of iron ore from Canada to the U.K.

• • •

Steel output in the U.K. continues to recover from last year's recession. In June it averaged 388,500 tons a week, compared with 384,600 in May and 373,600 tons in June, 1958.

This brought production rate in the second quarter to about the same level as before the recession took hold. It was still about 10% below the output achieved in the second quarter of 1957.

Deliveries are likely to fall in the next month or two because of the holiday period, but the improvement is expected to be extended in the closing months of the year.

Firms supplying the motor industry continue to do well. Demand from the constructional trades is also picking up. Shipbuilding is subdued, reflecting the world recession in shipping.

U. K. Stocks

(Supplied by Mackellar, Wisener Ltd., Toronto)

	—Recent— Bid $	Ask $	July 6 Bid $
Bowater Paper	6¾	7	7
British Petroleum	6¾	7	6⅝
Courtaulds	4.95	5.10	5.15
Daily Mirror	3.05	3.30	3.00
Ford of England	9	9⅜	8⅞
Hawker Siddeley	3.65	3.95	3.75
Hudson's Bay Co.	29⅛	29½	29½
Imperial Chemical	4.40	4.70	4.75
Stewarts & Lloyds	3.80	4.05	3.75

October Decision For Gas Exports?

From Our Own Correspondent

WASHINGTON, D.C. — The **Tennessee-Midwestern** plan to import Canadian natural gas goes back before the FPC next week.

This time prospects are a little brighter.

Last October, the FPC rejected the scheme on the ground that **Trans-Canada Pipe Lines** did not have adequate reserves.

Since then, however, Trans-Canada has been signing more contracts and has a fatter reserve for the U.S. market.

The key question to be decided by the FPC: Whether Trans-Canada now has enough reserves.

The plan to import 204 million cu. ft. per day of Canadian natural gas has been pushed before the FPC at this time so that at least a few days' hearings can be held before the FPC takes its traditional August holiday.

Thus, the case will barely start, when it will be adjourned until after Labor Day.

But at least, a start will have been made.

Officials here are hopeful for an FPC decision by the end of October.

The FPC itself, in fact, will make every effort to come up with a decision by that date because on the first of November the Trans-Canada contract with Tennessee-Midwestern is subject to cancelation.

The FPC is anxious to have U.S. consumers pay as low a price as possible and any new contract might mean a higher price.

While healthier Trans-Canada reserves is one reason for slightly more optimism about this new hearing on the gas import plan, another one is the dilution of opposition.

One of the toughest opponents during the previous lengthy, red tape - ensnarled hearings was the **Michigan-Wisconsin Pipeline Co.**

Now, "Mish-Wish", as the company is affectionately known, has joined Tennessee-Midwestern in a deal to distribute the Canadian gas.

"Mish-Wish" has agreed to buy 158 million cu. ft. of gas per day of the total 204 million that Tennessee-Midwestern is planning to import.

In dollars and cents, Tennessee - Midwestern intends to spend about $52.3 million for a pipeline system to handle the Canadian gas, while Michigan-Wisconsin would spend $24.1 million for its pipeline project using Canadian gas.

The FPC said last October that it had "profound regret" in rejecting the Tennessee-Midwestern application at that time for importation of gas from Canada.

It already has indicated it favors Canadian gas being supplied to U.S. communities and it feels Canadian gas will ideally meet the fuel needs of the north-central U.S.

Under the present plans, Tennessee-Midwestern would pick up the Canadian gas at Emerson, Man.

A pipeline would carry it to Marshfield, Wisconsin.

From there, Michigan-Wisconsin would take its 158 million cu. ft. per day and distribute it to Wisconsin and Michigan communities.

Tennessee-Midwestern would distribute the remaining Canadian gas to communities in Minnesota and the **Northern States Power Co., Montana - Dakota Utilities Co.** and **United Petroleum Gas Co.**

One major opponent to this new scheme is expected to be **Northern Natural Gas Co.**

In addition to Northern Natural opposing the import scheme, the U.S. coal producers organizations will make their usual lengthy and determined fight to keep out Canadian natural gas.

FPC to Hear N.Y. Gas Deal

The fight to distribute natural gas in the Massena-Ogdensburg area of northern New York state goes before the Federal Power Commission Sept. 1.

One of the chief applicants seeking permission to serve the prosperous New York state market is **St. Lawrence Gas Co.**, sponsored by **Consumers' Gas Co.**, Toronto, and private individuals in New York state.

The company has already secured franchises to serve 15 communities in the area.

The gas would be supplied by Consumers' Gas Co. and would come from the **Trans-Canada** gas pipeline already constructed between Toronto and Montreal.

The international crossing point would be in the Cornwall-Massena area.

St. Lawrence Gas is being opposed in its bid to serve the New York state market by **Niagara Mohawk Power Corp.**

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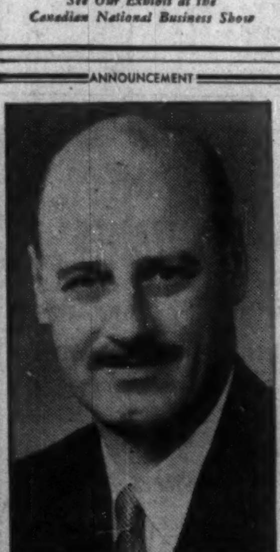

JOHN A. GANAS, M.Sc.

BP Canada Limited announces the appointment of John A. Ganas to the newly created position of sales manager of its Ontario Division. Formerly real estate manager of BP's Quebec Division, Mr. Ganas will be located in Toronto.

A native of Montreal, Mr. Ganas attended school in Quebec City and was graduated from Laval University with a Master of Science degree. During World War II he was on the "essential employee" list and worked during this time in the explosives and other war-time industries, in Montreal. In 1946 he joined the oil industry and ten years later came to BP Canada Limited to establish a real estate branch there.

ANNOUNCING

Important appointments in Canadian Industry, Finance, Business and Government

Associated Electrical Industries Canada) Ltd. (Toronto)—H. G. McHaffie, appointed president; R. P. Horlock, director and vice-president; H. T. Wormell, director.

Batten, Barton, Durstine & Osborn Inc. (Toronto) — Michael Hicks, appointed managing director, Canadian operations.

Bowater Power Co. (Montreal)—G. Arnold Hart, appointed director.

Brinton-Peterboro Carpet Co. (Peterborough) — Herbert F. McLean, appointed director; G. E. Morden, vice-president.

British Oxygen Canada Ltd. (Montreal) — W. R. Holden, appointed manager, Montreal division.

Canadian Allis - Chalmers Ltd. (Montreal) — G. E. Irving, appointed assistant general manager, products departments; A. G. Squibb, manager sales, mining and milling departments.

Canadian-Dominion Leasing Corp. (Toronto) — John J. C. Evans, appointed president; David E. Mundell, vice-president.

Canadian Equity & Development Co. (Toronto) — J. E. Kelley, Jr., appointed director and vice-president of this company and Don Mills Developments Ltd.

Canadian Javelin Ltd. (New York) — Joseph M. McDaniel, Jr., appointed director.

Canadian National Railways (Toronto) — William B. Jackson, appointed to special duties at central region headquarters; James A. McDonald, assistant vice-president research and development.

Canadian Provident (Montreal) — Tancrede Sicard, appointed director of agencies; Guy A. Paquet, assistant director of agencies.

Cities Service Co. (New York) — F. M. Simpson, appointed president.

Coleman Lamp and Stove Co. (Toronto) — C. F. Terrell, takes over all international activities of Coleman companies outside Europe.

Contractors Machinery & Equipment Ltd. (Hamilton) — Morris Paikin, appointed president; S. J. Van Flymen, vice-president; Jim Trimble vice-president; Miriam Carrigan, treasurer; Sydney Paikin, secretary.

Dominion Dairies Ltd. (Toronto) — Norman Stuart Robertson, appointed director.

Dryden Paper Co. (Dryden, Ont.) — Norman McMillan, appointed woods consultant; K. K. Nielsen, woods manager; J. H. Godden, assistant woods manager.

General Motors Diesel Ltd. (London, Ont.) — G. M. Lynch, appointed district manager for B. C.; Walter Bedford, district manager Alberta, Sask., Manitoba; G. L. Stephenson, district service manager, Ontario, Western Quebec.

Lincoln Extension Institute (Canada) Ltd. (Toronto) — J. F. Carle, appointed president; L. S. Vosburgh, Jr., vice-president; L. R. L'Allier, general manager.

Montreal Trust Co. (Montreal) — Benjamin Reece, appointed manager, Edmonton; Jack B. Madsen, assistant manager.

Northern Ontario Natural Gas Co. (Toronto) — E. C. Bovey, appointed vice-president; A. Hove, vice-president and chief engineer.

Ontario Loan and Debenture Co. (Toronto) — W. Bradley Granger, appointed president; Howard L. Hayman, director.

Pacific Petroleums Ltd. (Calgary)—Kelly H. Gibson, appointed executive vice-president and director.

Standard Tube and T. I. Ltd. (Woodstock, Ont.) — V. T. Ross, appointed general manager; G. F. McCreery, assistant general manager.

Steinberg's Ltd. (Toronto) — Jack Genser, appointed general manager, Ontario division; William Sherman, vice-president, operations.

York Knitting Mills Ltd. (Toronto) —J. S. Lewis, appointed secretary.

Zeller's Ltd. (Montreal) — John G. Curtin, appointed comptroller; James G. Balfour, merchandise director.

RADIO STATION CONTRACTS

RCA Victor has won the contract for the transmitter and studio equipment for the new English radio station in Montreal owned by **Maisonneuve Broadcasting Corp.** Ted Schroeder, Montreal industrial designer, has designed the studio lay-out which will include five live studios, three control rooms, master production centre, printing plant, photography and dark rooms, etc. **John C. Preston Ltd.**, Montreal, is designing and supplying all studio and office furniture. **Francis J. Nobbs**, Montreal, is architect for the transmitter building. **Libby Engineering Ltd.**, Montreal, is handling the air conditioning. Total installation costs will be over $500,000.

ANNOUNCEMENT

G. REDLICH

D. J. WORMITH

W. R. CARSON

Mr. Stanley Wilk, Vice-President-Finance, Polymer Corporation Limited, Sarnia, Ontario has announced today the following three appointments.

Mr. G. Redlich is appointed to the newly created position of Manager, Economics and Development. He will be responsible for business development matters, general planning, economic analysis, and a wide range of staff functions.

Mr. D. J. Wormith is appointed Manager, Planning and Development Department. Mr. W. R. Carson is appointed Manager, Operations Analysis Department.

Mr. Redlich joined the Polymer project in 1942 and served in various technical and staff capacities until 1951, when he was made Manager of the Economics and Yield Department. He holds a Chemical Engineering degree from McGill University and a Master's Degree from Harvard Business School.

Mr. D. J. Wormith, formerly with Defense Industries Limited, also joined Polymer in 1942. He served as a Process Engineer and Economic Analyst before he became Chief, Economics Section in 1951. He is a graduate of the University of Toronto in Honours Chemistry.

Mr. W. R. Carson joined Polymer in 1943 as a Process Engineer and joined the Yield Section in 1946. In 1949 he was appointed Yield Controller. Mr. Carson is a graduate in Chemical Engineering from McGill University.

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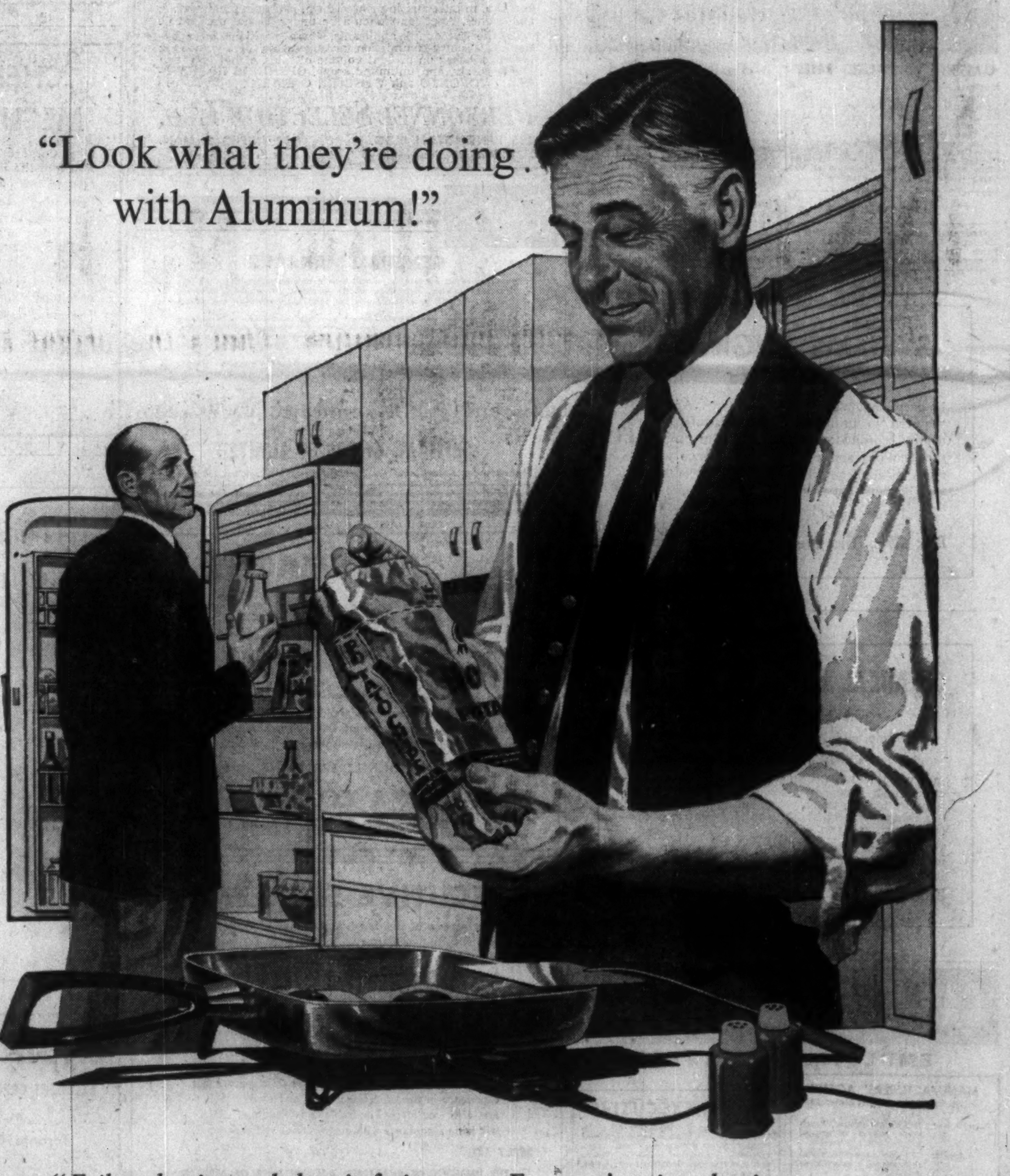

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The Financial Post

Vol. LIII | Member of Audit Bureau of Circulations | Publication Office: Toronto, July 25, 1959 | Twenty-five Cents an issue, Eight Dollars a Year | No. 30

THERE ARE SIGNS that Canada's textile industry is making its first real comeback since 1951-52. What will it mean?

- **For the industry itself: Substantially higher sales and earnings in 1959. Many companies have completed major capital expenditures, angling for bigger shares of the domestic market. Synthetics are forging ahead.**
- **Employment: The outlook is mixed, but generally it points to more jobs.**
- **For the consumer: Hot competition from synthetics and modernized production equipment should bring better buys.**

TEXTILES: How Much Strength in Upturn?

Higher sales and earnings: That's the bright spot of this FP feature report . . .

By ERIC RICHTER

For the first time since 1951-52, Canada's hard-pressed textile industry sees some real hope for an upturn.

Among encouraging factors:

- **In the industry itself**, there's considerably more optimism now than in the past few years.
- **Reports from the U. S. indicate a textile recovery** now in high gear in that country.
- **A review of the entire Canadian textile tariff is well under way.** The Tariff Board has already suggested some additional tariff help and the government has acted on a few of these recommendations.

The big question now:

How much real strength underlies this apparently brightening textile picture?

To find out, **FP** surveyed primary textile makers on 1959 sales, profit and employment prospects.

It found this trend:

Substantially higher sales and earnings in 1959 compared with 1958 accompanied by a small increase in employment. There are, of course, some exceptions.

Breaking it down, the survey suggests improvement this year for synthetic fibre, wool fabric, carpets, synthetic fabric weavers, the spinning of sales yarn.

Cotton will have to battle to hold its own. Knitters' experience looks mixed. Profits are saggy in ladies' nylon hosiery.

Here is a summary of survey results:

Synthetic Fibre Makers

Synthetic fibre sales are expected to climb substantially in 1959.

While a few companies are predicting spectacular increases in dollar value of sales (ranging from 25% to 50%) increase for the industry as a whole seems between 5% and 10%.

Employment is expected to edge only slightly higher than last year — less than 5%. This undoubtedly reflects considerable unused capacity.

Most companies in this field, publicly owned, are wary of hinting at profit estimates. There are strong indications, however, that good earnings performance will accompany increased sales.

The extra large sales increases forecast by a few companies appear due to special situations.

Position of synthetic fibre makers as a whole is being improved by new products and new uses. **New products not only increase volume but are frequently more profitable**, offsetting falling profits on standard lines.

Most synthetic fibre makers face little direct competition from imported fibres and yarns.

In common with the nation's weavers and spinners, however, they suffer indirectly from imports of finished products. Substantial volumes of synthetic fabrics are also imported, particularly from the U. S.

Since many synthetic fibre makers have completed major capital expenditure programs in the past few years, a relatively lower rate of capital spending is forecast for 1959.

Cotton

Only a slim prospect for any improvement appears in store for cotton textile makers this year. Employment will likely be lower than in 1958.

While the first half of 1959 has been considerably better than corresponding 1958, this is due largely to abnormally low business last year.

Because experience of individual cotton makers varies widely and many mills are subject to special circumstances, industry-wide forecasts are difficult.

Position of the cotton mills, however, is precarious because of the competitive situation.

On the one hand, makers are faced with competition from U. S. imports, particularly in fabrics where style is a big factor. On the other, they also face intense competition from grey and bleached cloth, as well as finished textile products from the East, particularly Japan.

Too, synthetic fibres have been making inroads into traditional cotton markets. Through use of special finishes and constructions, cotton makers have only recently been able to mount a successful counter-attack in this area.

Predicament of the industry is shown by the case of **Canadian Cottons Ltd.** which after a six-year struggle has decided to make drastic production cutbacks.

Faced with a choice of heavy capital expenditure to revamp plant and equipment or withdrawal from manufacturing areas resulting in operating losses, company decided on production cutbacks.

Reason: A satisfactory return on new capital investment could not be anticipated.

Dominion Textile Co., giant of the Canadian cotton industry, at its annual meeting recently said only that the narrow profit margin of last year was being maintained. **Company warned a small increase in costs or decline in selling price could easily wipe out this margin.**

One of the few encouraging factors is the strength in the U. S. cotton textile industry where order backlog is increasing and mill inventories declining.

The big worry for Canadian cotton men: How long will the apparent boom in the U. S. last?

It may, some observers fear, just be the up side of the cotton industry's historical boom-bust cycle, which has violent swings, each of about two-yr. duration.

Wool Fabric

A considerably better year appears to be shaping up. Many call 1958 the worst year in a long time.

Nearly all mills are forecasting increased sales this year. Attempts to assess the size of this increase on a percent basis is meaningless because of last year's abnormally poor results.

With improvement in sales, a slightly better earnings picture is also indicated. A number of mills say they expect to change last year's losses into small profits.

Competition, both among domestic mills and from imports, remains strong. As a result, prices are depressed.

One mill, for example, in predicting higher sales, soberly observes the betterment may be due partly to three of its competitors going out of business last year.

The employment picture is brightening. While few mills expect to be taking on extra employees, many expect less short time this year.

With few exceptions, little capital spending is slated for 1959.

Some mills note men's clothing sales in the first half this year were higher than expected and demand is continuing strong. This offers hope of firmer, bigger markets for the wool mills involved.

Imports from many quarters, including Italy, the U. K. and Japan continue heavy.

Spinners

Spinners of sales yarn — yarn for sale to the weaving and knitting trade — are expecting a big increase in dollar values of sales this year.

Indications are the hike may be 15% to 20%.

Substantial improvement in the profit picture is also forecast, though the increase in earnings will not be as great as higher sales might suggest. Reason, many firms say, is lower prices due to severe competition.

Employment picture is mixed. Some mills expect large increases, others forecast no change or small decreases. A number of mills are scheduling extensive capital expenditures to enlarge and improve facilities.

Many mills say that after a poor year in 1958, demand for yarns increased substantially in the first half. Indications are this trend is continuing.

One of the problems of this segment of the textile industry is that large U. S. manufacturers make periodic forays into the Canadian market, disturbing domestic market arrangements and prices.

Further, price of sales yarn in the U. S. fluctuates widely with supply and demand. **While Canadian mills are frequently affected** by the lows, they rarely cash in on the highs.

Import of knit goods has severely affected the domestic market for yarn. In addition, domestic makers face major imports of Orlon yarns from the U. S. and worsted yarns from the U. K.

Synthetic Fabric Weavers

These operators are forecasting dollar value of sales 10% to 15% higher than in 1958.

Profits are also expected to show good gains, with some mills anticipating as great an increase in earnings as in sales.

Despite higher sales, little increase in employment is indicated. Most mills report the work force in the first half was no larger than in corresponding 1958 when sales were considerably lower.

Capital investment for new equipment in 1959 appears substantial.

Numerous mills note considerably more activity in the domestic market for synthetic fabric. Part of this demand, some say, is at the expense of cotton cloth.

Direct competition is chiefly from the U. S. Indirectly, synthetic fabric weavers are being hit hard by imports of low-cost finished garments from Japan. This indirect competition, some mills say, is accelerating.

Narrow Fabric Weavers

Narrow fabric weavers see a 3% to 6% increase in dollar value of sales in 1959, accompanied by a small improvement in profits. Employment will be the same or fractionally higher.

Most mills anticipate a good fall selling season. Present forward bookings are considerably higher than a year earlier. One mill says its advance orders are 50% higher than last year.

Competition in ribbons and tapes is described as heavy. One mill says braided elastics selling at an average of 62c fob Japanese ports would have a raw material cost of 95c here.

Imports of cheap U. K. tapes are also noted while the U. S. is offering cheap ribbons, tapes, braids and elastics on the Canadian market.

Knitters

Prospect for knitters, excluding ladies' nylon hosiery, is mixed.

The range of products is great and special situations many.

In general, however, it appears that knitters are anticipating a 5% to 10% increase in sales with just a slim hike in earnings. No great change in employment is forecast and capital spending for 1959 appears small.

Competition among domestic manufacturers and from imports is stiff. A number of mills say they have had to accept unprofitable business in order to maintain volume.

There is some general optimism about fall business. Advance orders are considerably better than a year ago, some mills report.

For manufacturers in certain lines, last year's generally cold, protracted winter has been a boon. It has cleaned out inventories at retail level and may result in higher orders this season.

Complaints about competition from imports are many, particularly in lower-priced lines. **Higher-priced goods appear less vulnerable as do items where style is a major factor.**

A number of firms that concentrate on high-priced knitted garments made from new luxury fibres are predicting good increases in sales and profits this year.

Ladies' Nylon Hosiery

Things look dim. There is little, if any, increase in sales forecast for 1959.

Many mills report profits will be unchanged from last year, while some predict a decline. One hosiery-maker anticipates an increase in dollar value of sales accompanied by lower earnings.

Fierce competition within the industry has resulted in continued weak prices.

With the market for full-fashioned hose declining, a number of mills are continuing conversion of production facilities from full-fashioned to the relatively more profitable seamless hose, a trend that has been evident for the past few years.

Carpet Makers

With expanding markets, new products, a high level of residential construction, 1959 prospects for the nation's carpet-makers look excellent.

Sketchy information available indicates sales this year may be 15% to 20% higher than in 1958. Profits, too, are expected to rise substantially.

Employment will also be higher.

Introduction and public acceptance of the tufted or "machine stitched" carpet is largely responsible for the boom. Other factors are the high rates of home construction and family formation.

Strength of the boom can be seen from the six-month report of Harding Carpets Ltd.—the only public company in this segment of the industry.

With sales for the first half running 22% higher than corresponding 1958, Harding earned $343,000 ($1.44 per common share) compared with $90,000 (38c) last year. The report says volume of sales is holding up well and a satisfactory performance is expected for the balance of 1959.

Carpet imports from the U. K., Belgium and Japan are some problem to domestic makers and have kept prices "very competitive".

Dyers & Finishers

Dyers and finishers are calling a big increase in sales accompanied by major profit hikes in 1959.

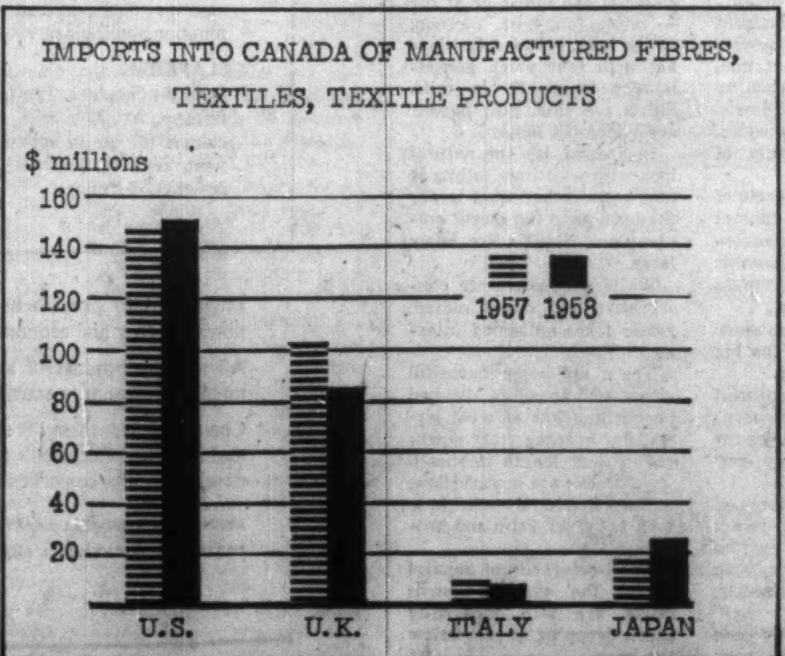
Dollar value of sales this year is expected to be 20% to 25% higher than in 1958 while employment is expected to rise 15%.

Trend in the industry appears to be concentration on volume business at low prices.

Little capital expenditure is slated for 1959, indicating considerable unused capacity available.

Dyers and finishers, of course, are affected indirectly by imports.

Where Our Imports Come From



Fall Orders

15% High Over 1958?

By MAURICE LUCOW
Editor, Style

Canadian women's wear retailers are placing orders for fall with an enthusiasm unmatched for several years.

If surveys by the National Retail Merchants Association of the U. S. and Associated Stores of Canada are to be believed, women's wear sales this fall and winter may run as high as 15% over last year.

The NRMA recently polled its Canadian members — mainly the large department and chain stores — and came up with an encouraging report.

The ASC, comprising a number of smaller department stores in eastern Canada, found prospects equally bright after checking members at the recent semi-annual meeting in Toronto.

The feeling of optimism is fairly general and is based on the fact that women's apparel sales have been running some 2% above last year's. In 1958 sales were up almost 4% over 1957.

According to manufacturers, the retailers are in a buying mood now rather than just looking. They are confident the fall styles will sell.

The manufacturers are happy because this buying spree helps them estimate their fabric needs more accurately.

During the past few seasons retailers were unwilling to place substantial initial orders with the result that manufacturers held back on their orders to the mills.

When repeat business started to come through from retailers, manufacturers often found it difficult to get the mills to produce fabrics in a hurry and often repeat orders had to be tossed into the waste basket.

But with business shaping up as it is, the mills should be able to get fairly good runs.

As is usual in Canada, the man-made fibres will get the most play for fall both in fabrics for dresses and in knitwear.

Canadian Industries Ltd.'s Terylene is being heavily promoted in blouses, and **Du Pont's** Orlon and textured nylon is strong in knitwear. A newcomer to knitwear this fall is **Canadian Chemical and Cellulose's** Arnel.

For the first time in several seasons there's no special "look".

The fall fashions are considered "classics," but are believed to be highly promotable.

Rather than base their lines on a gimmicky silhouette such as the chemise and trapeze, designers have given the classic styles a 1959 touch through the use of interesting fabrics and, in many cases, fur trim.

Even knitwear, which has been styled up considerably during the past couple of years, returns to classic design. But again, the fashion story is in the fibres, with the shaggy or furry look predominating.

Salesmen on the road and at the big markets in Montreal, Toronto and Vancouver say retailers are accepting the fall styles almost with a sigh of relief.

They have no major decision to make as they had to throughout 1958 with the chemise, the trapeze and the empire looks.

Even though they chalked up substantial sales gains with these styles, the retailers feel more inclined to play it safe, hence their enthusiasm for fall and winter of 1959.

The only thing that's really bothering retailers now is how to get more markup.

The extra 1% sales tax recently imposed by Ottawa is a bone of contention and many stores are trying to convince the manufacturers to absorb it.

In addition, the big department stores, in their quest for markup, are also reported to be demanding price reductions ranging from 25c to 50c per garment.

Manufacturers will likely go along with these demands, despite higher production costs, and they'll do what they have done in the past when faced with a demand for lower prices — they'll cut the quality of their garments.

This is fairly simple in the manufacture of apparel and makes no noticeable difference to the consumer.

However, manufacturers say they can't keep cutting quality indefinitely and warn that they can't be squeezed on price much longer.

They say retailers will have to start raising the price of apparel. Either the stores will have to start pricing, for example, $29.95 dresses at $39.95 or adopt in-between prices such as $34.95 or $37.95.

But this latter course seems doubtful as the big stores, for some reason or other, are reluctant to change their traditional price categories.

Retailers say they need substantial markup because of the seasonal nature of fashion merchandise.

Because fashion changes so quickly the markdowns are greater for apparel than for any other type of merchandise.

The 1958 Canadian operating results of department stores, published by the Canadian Retail Federation, shows dresses are marked up at 42.36% but markdowns represent 13.63% of net sales, leaving a gross margin of 33.79.

This is fairly typical of most women's outer apparel except hosiery and accessories where the markdown is much lower, and the gross profit about 6% higher.

As far as the fashion story for fall is concerned, the big news is in sportswear.

Here, too, the predominant theme is "classic." But everything co-ordinates, giving the fall sportswear a very new look.

The blazer, the cropped jacket, the hacking jacket have been teamed with straight and full skirts, with vests and man-tailored shirts, or with slim-jims.

Most pieces in any one group are usually in grey flannel, plain wool tweed or corduroy while one of the skirts, the vest or shirt is offered in a complementary and more colorful check, plaid or print. Sometimes the jacket is lined to match the shirt.

Many of the jackets, sweaters and even dresses which are in the sportswear category are hooded — as a nod to the growing influence of sports cars.

In coats, the polo or Hollywood wrap, popular in the late 30s, is back strong. So are the fitted chesterfield coats. Most coats are straight, often double-breasted with flat backs. Focal point is invariably a big, standing or wide-notched collar of the fabric or of fur — mink, fox, lynx, raccoon.

The long, belted safari jacket with four patch pockets is seen frequently in suits. Skirts are slim. Suit jackets are generally longer.

In dresses, it's the natural look with waistlines falling at the waist rather than under the bust, as in the recent empire line. Sleeves are fairly large.

While silhouettes are conservative and colors muted, fabric takes on added interest.

There are some beautiful wools such as prints, checked tweeds and lots of wool jersey. For evening wear gowns dip to floor length in sheath style. Backs are scooped low. Luxury fabrics are used here such as velvet, satin and brocade.

In all categories of apparel except the evening gowns skirts are still pleasantly short, dropping to just below the knee.

A HALF CENTURY of progress in Canadian hosiery fashions is represented in this armful of legs. Shown left are three popular styles from the past. Fourth stocking from left combines various weights of hosiery yarn used since introduction of nylon and illustrated development of consumer preference for sheerness. Shadow-striped and lacey-textured styles at right are typical of incoming trends. Hosiery is expected to play important part in Canadian women's wear fall and winter sales, expected to run as high as 15% over last year.

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Labor Satisfied With Conditions

Observers used to the rough and tumble of most union-management relations are constantly amazed by the almost tranquil atmosphere in the garment trade.

Concurrent contracts have been signed without a single work stoppage since 1934.

The secret:

Compulsory arbitration rules out the use of strike or lock-out weapons.

On the surface it would seem that workers in the trade are badly off compared with members of the big industrial and craft unions with their freedom to strike. However, as a group garment workers enjoy some of the best contract conditions applying in Canada.

July 1 this year, for instance, saw the basic work week for the industry cut from 39 to 37½ hr.

Workers in the Montreal area have access to a remarkable medical centre on the top floor of the International Ladies Garment Workers Union building where they receive free health examinations and check-ups.

In other Canadian cities doctors' pools provide medical services paid for by clothing manufacturers.

Things were not always this happy in the trade.

Union and management cheerfully admit it used to be one of the worst ways to make a living.

"It was the same story in the States and Canada," one manufacturer recalled. "There were thousands of small sweat shops. Wages were rock bottom and a terrible proportion of the workers were suffering from tuberculosis — a result of endless hours spent in cramped, filthy work places.

"Mind you," he added, "Ill health was not just reserved for the workers. TB was almost as prevalent among managers. Conditions were nothing to be proud of."

The rank and file workers were largely immigrants, too poor, frightened and ill-educated to protest much. The pioneers of the Garment Workers' Union faced a long uphill struggle to win members.

But they won. Then followed a period of almost comic opera industrial relations.

"Every year it would be the same story," one union spokesman said. "Just before the big cutting season the workers would demand a raise. I don't think they gave too much thought to economic conditions. Anyway there were some pretty nasty strikes.

"And of course there were many companies owned and operated by one or two people. They could, and did, close down rather than pay increases or face a strike."

In the late 1920's union demands mounted, companies closed and suddenly reappeared.

The crash of '29 marked the end of that era. The garment trade crumbled as the savings of small owners evaporated.

By 1934 both sides, labor and management, were ready to start again. Neither had much appetite for a return to the old ways. Out of long talks grew the present pattern for negotiation.

The hundreds of small companies that make up the dress and cloak and suit industries are presented by industrial councils — one for each group. Each company pays a certain sum to the panel's upkeep.

The logic of this is clear. In Montreal, for instance, there are at least 450 shops producing for the garment industry. Individual labor negotiations with each would be a back-breaking strain on both sides.

These councils then negotiate all matters with the unions.

Usually the differences are thrashed out at this level. However sometimes agreement is impossible.

It is then that two clauses in the 1934 agreement come into force. They are:

- **There shall be no cessation of work** pending negotiations of any dispute.
- **Unresolved disputes shall be put to an impartial chairman** whose decision is final and binding.

Many union officials consider compulsory arbitration undemocratic and something to be fought at all times. It is not popular with management either. Both sides see in it the loss of the freedom of manoeuvre.

But both sides in the garment trade are delighted with it.

"Sometimes we think the chairman is wrong," a union official commented. "But usually we agree with his decision. Anyway we know it is always a fair and honest decision. We like the system."

Westville Gets Boost From Italy

A fledgling textile industry is having a tremendous impact on the hard-luck town of Westville, N.S., which has lost its once flourishing coal mines.

The company: **Donato Faini & Figli (Canada) Ltd.**

It is an Italian-based knitgoods firm, specializing in highly styled garments, with head office in Milan and plants in Vercelli, Cetraro, Piacenza and Fiorenzuola d'Arda.

When the Canadian subsidiary began operating in Westville early this year, the town's weekly payroll had dropped more than 50% since 1952.

Many of the younger wage earners had moved away. Municipal tax arrears had reached nearly $50,000 and properties were being sold in default.

Establishment of the Donato Faini & Figli plant in Westville was aided by **Industrial Estates Ltd.**, the Nova Scotia crown corporation which has been pumping new life into the province's economy.

Industrial Estates built a modern $165,000 one-story plant between Westville and Stellarton — another once prosperous coal town—which it leased to the Italian knit goods firm.

Into the plant went more than $500,000 worth of machinery and from Italy came 20 Donato Faini employees—a manager and his assistant, experienced office help and personnel to train factory workers.

Today a staff of 70 is working two shifts to produce knit goods from Italian yarn.

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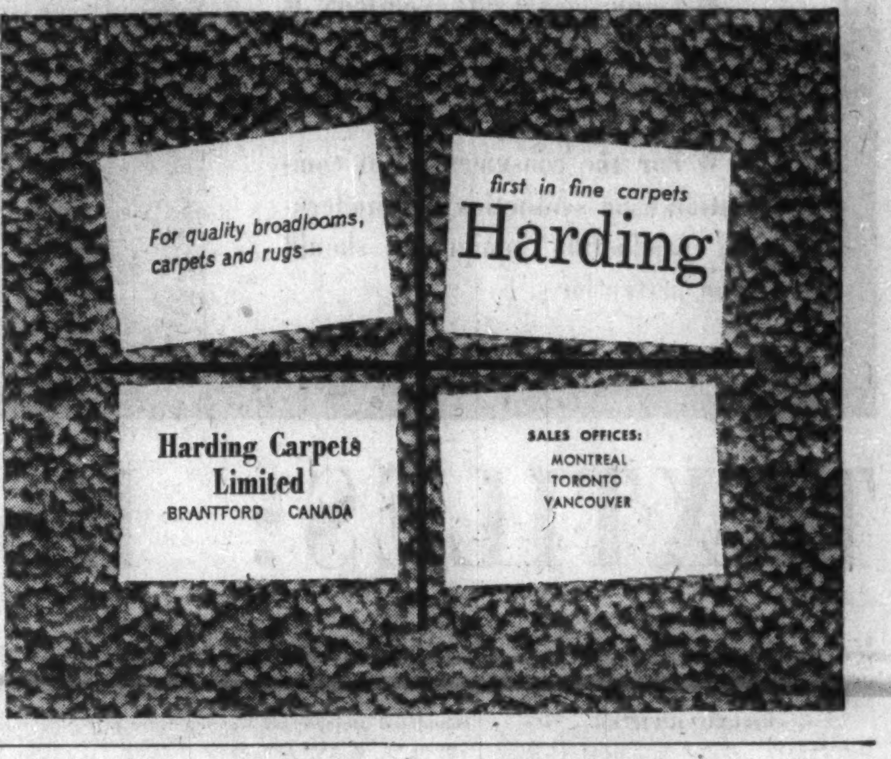

CHEMCELL FIBRES CHECK LIST

A handy reference guide to Chemcell fibres and their end uses

ARNEL, the new ease-of-care triacetate fibre. In staple or filament yarn form Arnel can be blended or combined with other fibres. When woven or knitted in fabrics, Arnel provides good wrinkle resistance, quick drying, and ease of ironing. Many fabrics containing Arnel can be durably pleated. Used extensively in apparel and lingerie.

CHEMCELL ACETATE, the beauty fibre, in staple or filament yarn form. Provides softness and easy draping to fabrics. Ideal in many "opulent" constructions—crepes, taffetas, brocades, failles, moires, satins, peaus. Can be combined or blended with cotton, nylon, rayon, wool or silk to produce varied fabric types and effects. Can be dyed or printed in a diversified range of brilliant colours. Used widely in apparel and home furnishings.

TYPE-F CHEMCELL ACETATE, the new modified cross section filament acetate used to provide added luxury and body in drapery fabrics.

NEW SPECIAL CROSS SECTION CHEMCELL ACETATE, designed particularly to provide durability, added bulk and amazing richness to upholstery fabrics.

CHEMCELL ACETATE STAPLE, for non-textile uses, in tow, bale or batting form. Used in cigarette filters, special insulation, industrial filtration applications.

CELAPERM, the filament acetate yarn with "sealed-in" colour. Provides exceptional colour fastness. Available in a range of high fashion colours for use in apparel, bathing suits, rainwear, curtains, draperies, home furnishings accessories, carpeting.

BULKED CELAPERM, the bulked filament acetate yarn with "sealed-in" colour. Gives a new lofted look to home furnishings and upholstery fabrics. Provides a crisp, rich worsted-like hand in apparel fabrics.

TYPE HC CHEMCELL ACETATE, specially developed. High Crimp. Can be processed on cotton systems, in coarse deniers. Cross-dyes beautifully. Use: all tufted materials.

CHEMCELL LIFE-SET ACETATE, "Life-Set" twist for rugs and carpets. High twist retention and resilience. Long-wearing. (Check into Chemcell's Quality Control Program for licensing manufacturers. It is performance protection).

CELACLOUD, the pure white crimped acetate staple fibre specially engineered for batting purposes. Lightweight, resilient, non-allergenic, dries quickly, holds shape, resists moths and mildew. Used in mattresses, sleeping bags, upholstered furniture and as batting for quilted apparel.

QUILTICEL, the permanently bonded acetate batting for thermal insulation. Holds its shape through washing or dry cleaning. Used in quilted outerwear, loungewear, and infants' wear.

FORTISAN, the superfine filament rayon yarn for beauty and stability in sheer fabrics for curtains. Used in 100% constructions and also in combinations with other yarns.

FORTISAN 36, the high strength, heavy denier rayon filament yarn specifically engineered for industrial uses. Used in high pressure hose, V-belts, tarpaulins, and other industrial applications.

Engineered to provide unique values for specific end uses, Chemcell yarns and fibres are easy and economical to process, certain in performance.

All are the product of a skilled fibre and fabric development program, from intensive research to extensive consumer testing.

Chemcell offers these fibres for every needed area of apparel, home furnishings, and industry. Chemcell's technical skills are available at any time to help in developing new constructions and applications for all textile end products.

ARNEL® CHEMCELL® ACETATE CELACLOUD® CELAPERM®
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Big Interest in Tariff Board Hearings

Outcome of first full-scale tariff review in 30 years may change textile industry patterns

For the first time in 30 years the nation's textile tariffs are getting a stem-to-stern review.

The outcome of hearings already held and still to be held before the Tariff Board in Ottawa may affect the future development pattern for most of Canada's textile industry.

So far the board has heard representations on five of 10 broad categories of products. It has reported recommendations on four.

Government action so far has been taken in the case of only one category, wool cloth.

Here is a summary of where the textile tariff enquiry now stands:

WOOL CLOTH

Wool cloth is the only case in which the cycle of hearings — report by the Tariff Board and government action —has run the full course.

Effective result for the industry:

An increase in tariff of 10c lb. on lighter-weight fabrics and 5c lb. on heavier fabrics coming under the British Preference (BP) tariff and 8c lb. and 3c lb. respectively in the case of fabrics coming under the Most Favored Nation (MFN) tariff.

These tariff changes apply to many, but not all, wool cloth imports.

In stating its case before the Tariff Board, the industry asked for considerably higher hikes. Protection originally afforded Canadian mills under the old tariff, it was claimed, had been eroded by inflation.

The former BP tariff (net) was 18% plus 10.8c lb. with the proviso that total duty should not exceed 50c lb.

This limitation — originally intended to protect high-priced imports from an unfair tariff burden—over the years had become applicable to the bulk of fabric imports from the U. K. and other BP countries.

Result was that net yield of the tariff had been reduced to about 16%, according to industry estimates.

"The old tariff was progressively lowered by the effect of higher prices without any negotiation on Canada's part," one industry observer explains.

In its submission to the board, the industry asked for a net BP tariff of 16.2% plus 18c sq. yd. Change from pounds to square yards was intended as a method of equating foreign and domestic labor costs.

The board recommended a BP rate (net) of 18% plus 18c lb. (total duty not to exceed 60c lb.) on fabric weighing 12 oz. per sq. yd. or less; and 18% plus 13.5c lb. (not exceeding 55c lb.) in the case of fabrics weighing more than 12 oz. per sq. yd.

It recommended no change in the then existing MFN rates.

While the board did not go along with the industry in changing the specific duty to a square yard basis, it did give some recognition to the principle by differentiating between weights of cloth.

Changes in the BP tariff recommended by the board were implemented by the government in the budget brought down June 17, 1958.

Effect was to reduce the traditional margin between the BP and MFN rates.

Accordingly, the government in the April, 1959, budget hiked the MFN rate to 27½% plus 38c lb. for cloth under 12 oz. and 27½% and 33c lb. on cloth over 12 oz.

Domestic wool cloth makers say they probably have the vocal complaints of their U. K. competitors to thank for this increase, since it was not recommended by the Tariff Board.

WOOL YARN AND WASTE

The tariff structure covering wool yarn and waste is complicated. The difficulty in part is due to the fact that yarn can be in many forms.

In addition, because of the increasing popularity of blends, it is hard to determine what fibre should govern for duty purposes.

In general, the industry asked for some tariff increases and a reorganization of the many present tariff items that pertain to wool yarn. In the case of waste, it asked for simplification of the tariff classifications taking into account the extent to which wastes are produced and sold in this country.

On yarns, the industry asked that the specific duty basis be changed from pounds to worsted count per pound. This request was disallowed by the Tariff Board.

In its recommendation, the board reduced seven present yarn tariff items to three.

The tariff item governing wool yarn and warps wholly or in part of wool, imported by manufacturers for use in their own factories, is one of the most important in this division. A large part of imported yarn falls into this category.

Present tariff is BP 7½% plus 5c lb.; MFN 12½% plus 15c lb.

The industry asked this category be further defined as excluding blends with synthetic fibres and that the tariff be BP 7½% plus ¾c per worsted count per lb. MFN 12½% plus 34c per worsted count per lb.

(Effectively, this would have meant an increase of 10c lb. in the BP duty in case of a 20-count yarn.)

The board recommended a change in the wording of the item to rovings and yarns 50% or more by weight of wool and recommended BP 7½% plus 7c lb.; MFN 12½% plus 17c lb.

Effect of the recommendation would be to increase tariff in both the BP and MFN categories 2c lb.

Any government action likely will be held over to permit complete redrafting of the tariff schedule in light of recommendations still to come on yarns and other semimanufactures.

COTTON

Amid protracted bitter argument between domestic mills and foreign suppliers, hearings into cotton tariffs lasted a full three months. They covered cotton yarns, fabrics and a wide variety of finished cotton products ranging from garments to pillow cases.

As in the case of wool cloth, domestic cottonmakers claimed that rising prices had robbed them of tariff protection originally intended when the cotton tariff items were formulated in 1928.

Present tariff on woven fabric, wholly of cotton and printed, dyed or colored, is BP (net) 15.8%.

But MFN tariff is 17½% plus a specific of 3c lb. for fabric selling for more than 80c lb.; 22½% plus 3c lb. for cloth selling 50c to 80c and 25% plus 3½c for cloth selling for less than 50c lb.

Object of the sliding scale was to lessen the tax burden on the expensive fabric. However, with the increase in prices, much of the fabric that once sold in the under-50c price range and was subject to the heaviest tax is now in the over-80c price range and is taxed less.

Industry asked for tariffs ranging from BP 15% to 27½%, depending on the yarn count per square inch and MFN 20% plus 3½c lb. to 27½% plus 3½c.

Tariff Board recommendation was BP 17½% and MFN 22½%.

Industry officials have calculated 'hat if board recommendations concerning all fabric were implemented, average effect would be to increase the tariff from 19.35% to 20.49%, a gain of just over one point.

In the case of yarns, present tariff on rovings, yarns and warps wholly of cotton and not more advanced than singles is BP 12½%, MFN 15% plus 3c lb. **The industry asked** for no change on griege yarns (yarns that are undyed, bleached or treated), and BP 15% and MFN 17½% plus 5c lb. on other yarns.

The board recommended BP 12½% and MFN 17½% for yarns not more advanced than singles and BP 15% and MFN 20% for other yarns.

Analysis by the industry indicates implementation of the recommendations concerning all yarns would result in average duty being lowered to 13.76% from 14.13% on the basis of quantities and types now imported.

In the case of finished cotton products, the industry requested hikes of varying amounts.

Small increases were allowed by the board.

Industry estimates implementation of the recommendations would raise average duty (excluding garments) from 22.7% to about 25%, a gain of 2.3 points.

SYNTHETICS

For the synthetic textile industry, Tariff Board recommendations largely confirmed requests made by the industry.

Present duty on single yarns, for example, ranges from 5% to 18% BP; and 22½% but not less than 22c lb. MFN.

The industry requested a hike in the BP rate to (net) 18% with no change in the MFN tariff. This is exactly what the board recommended.

In the case of fabric, much now enters Canada at BP (net) 20¼%, MFN 25% plus 30c lb.

The industry asked for BP (net) 18% plus 18c lb.; MFN 25% plus 30c lb. Board recommendation was BP (net) 20¼% unchanged from the present and MFN 30% (up 5%) and 20c lb. (off 10c from the existing specific).

HOSIERY AND KNIT GOODS

An extensive submission, 118 legal sized pages, on behalf of the hosiery and knit goods industry has just been presented to the board.

The industry seeks to reduce five tariff items (specifying varying rates of duty) to two.

They are:

Knitted garments, fabrics and goods, BP 20% but not less than 30c lb.; MFN 35% but not less than 50c lb. For knitted socks, stockings, gloves, mitts, headwear including knitted and fulled berets, the requested rate is BP 20% and 30c per doz. pairs or articles; MFN 27½% plus $1.20 per doz. pairs or articles.

"Out of (industrialization of many countries in Asia and elsewhere) have come problems that in nature and degree are unlike what has gone before or what could have been contemplated when the present tariff structure was established . . .

"Our industry must provide for what it can reasonably foresee and plans that take into account only what has happened rather than what can happen are useless," says the industry submission to the board.

How it Works

To understand the workings of the British Preferential Tariff — a matter of importance in textiles — you have to know how the tariff can be reduced in some cases.

In the case of goods entitled to BP rates, it frequently pays importers to ship direct by water.

Such goods — if shipped on a through bill of lading from BP port direct to Canadian ocean, river or lake ports — with some exceptions are entitled to a 10% discount on duty payable.

Exceptions include certain items such as liquor and cigarettes. In addition the discount is not allowed if total duty yield after discount is less than 15%. Another exception is where the BP duty and the Most Favored Nation rate are the same.

As importers naturally avail themselves of the discount wherever possible, some BP duty rates are, in effect, lower than they appear on the record.

Tariff Hearings

Industry	Heard by Tariff Board	Reported on by Tariff Board	Acted on by Government
Wool Cloth	X	X	X
Wool yarns & waste	X	X	—
Cotton, cotton products	X	X	—
Silk, synthetics & products	X	X	—
Hosiery & knit goods	X	—	—

Still to be heard by Tariff Board:—Narrow fabrics; miscellaneous wool products including felt and blankets; hats and caps; miscellaneous textiles including flax, hemp, rope, belting and products partly textile in nature; impregnated fabrics including rubberized canvas, leatherette and batts, batting and wadding.

Wear-ever Fibre: Boon? Nightmare?

Will the rapid strides of atomic age science and technology mean big changes for the textile industry?

This is a question a growing number of textile men are mulling as they keep closer tabs on scientists' laboratories.

In the past 50 years science has wrought startling changes in textiles.

New fibres have been produced, most with properties and characteristics — both desirable and undesirable — that vary greatly from those of natural fibres.

Moving a step further, science has also devised ways of giving synthetic fibres — and fabrics made from them — a considerable number of the desirable properties of natural fibres.

Conversely, methods have also been developed to give natural fibres some of the properties of their synthetic cousins.

Blends of natural and synthetic fibres designed to capitalize on the best properties of each are becoming ever more common.

But, notes one textile man, just think what would happen if the scientists came up with a truly indestructible fabric.

Ever since the first caveman bagged a new ensemble by clubbing the handiest bear, clothing that won't wear out has been one of mankind's fondest dreams.

While a pleasing prospect for the consumer, the very thought of an indestructible suit is enough to conjure nightmares for textile maker and garment designer alike.

But some textile men say that a few of the new man-made fibres, in terms of strength, resistance to wear, mildew and rot, are starting — in a very small way — to fill the bill.

Garments made from these fibres frequently outlast by wide margins identical garments made from natural fibres.

This results in a loss of business for both the fabric and garment maker.

One of the redeeming factors, of course, is the question of style.

"Even if the age of miracle, everlasting fibres were upon us, I doubt that the ladies would stand for it," one industry observer comments.

The present structural life of many fabrics — whether natural or synthetic — usually exceeds by far the style-life of the garments into which they are made.

On the other end of the scale is an even more serious threat to the textile industry.

The one-shot garment made from a non-woven fibre, such as paper, and designed to be worn once and thrown away.

A fond hope of the pulp and paper industry, this dream is much closer to becoming a reality.

A few attempts have already been made to produce various items of wearing apparel from plastic treated paper. None, to date, appear to have met with any great success.

Textile makers note, however, that this is no idle threat. Paper products, they point out, already have a foot firmly planted in the textile door.

The paper handkerchief—riding high on the slogan "why carry a cold in your pocket"—has already taken over a great proportion of a once-exclusive textile market. The same holds true in the case of table napkins.

In most public and industrial washrooms, it's the paper and not the fabric towel that rules the rack, and even the lowly potato is more likely to travel to market in a paper sack than in a burlap bag these days.

Hotel and motel owners would dearly like to see development of paper sheets and pillowcases that could be used once and thrown away.

If this happens, textile makers will lose another substantial market. Crying the blues along with them will be soap and detergent makers, as well as a considerable number of laundries.

Yet the relentless march of science has also brightened much of the textile industry.

New fibres and new fibre combinations have created many new markets. So have new processes and techniques applied to the old-established fibres.

Development of wash-and-wear fabrics has been one of the explosive factors in the textile industry in recent years.

Originally this market was developed by several of the synthetic fibres, used by themselves or in combination with natural fibre.

The cotton industry, faced with the loss of a substantial market, fought back with resin finishes that would give its fabric similar characteristics.

Troubles which plagued the early cotton wash-and-wear finishes now appear to have been largely ironed out and the industry headed for record sales.

In the U. S. this year it is estimated that some 2,700 million yards of resin-treated cotton will be sold, compared with 600 million in 1955.

Big loser, by the way, appears to be the laundries which may well be taken to the cleaners by the drip-dry, wash-and-wear fad.

Commercial cleaners claim they haven't been too hard hit so far. Their theory is that the wash-and-wear novelty soon wears off and that these garments are then sent out for commercial cleaning.

Surveys made by a number of wash-and-wear makers, however, indicate that upwards of 50% of these garments are now cleaned at home.

Scientific research has also come to the assistance of the woolen industry.

Chemical treatment of pure wool fabrics, for example, enables them to retain creases and pleats even after being laundered and dry cleaned.

Paper Cloth

Most recent contender for the paper fabric crown is Kaycel, a nylon reinforced paper cloth developed by **Kimberly-Clark Corp.**

Announced last month, this material looks like cloth and can be cut and sewn like any ordinary fabric. In addition, it won't ravel, is lint-free, fire-resistant and can be pressed with a steam iron, makers claim.

Price: 20c yd. in 44-in. widths.

Some suggested uses: Inexpensive Halloween, Santa Claus or party costumes, disposable table cloths, aprons, bibs, place mats or rainy-day carpet runners.

ANNOUNCEMENT
DOMINION TEXTILE COMPANY APPOINTMENT

FRANK P. BRADY
Appointment of Frank P. Brady as assistant secretary of Dominion Textile Company Limited is announced by R. D. Archibald, secretary of the company. A native of Montreal, Mr. Brady is a law graduate of McGill University. He served with R.C.N.V.R. during the war, and joined the company in 1951.

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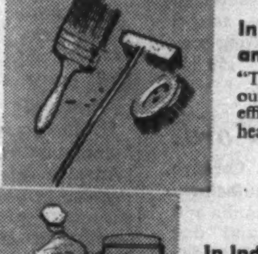
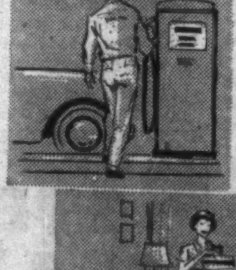
STOCK CERTIFICATES • STAMPS • CHEQUES
AND MONETARY DOCUMENTS OF ALL KINDS
ENGRAVED SECURITIES SUITABLE FOR LISTING ON ALL STOCK EXCHANGES
HEAD OFFICE
OTTAWA; CANADA
BRANCH
MONTREAL, QUEBEC
BRANCH
TORONTO, ONTARIO

RUGGED PERFORMANCE
In Automotive, Trucking, Aircraft and Construction Equipment Industries
Tires made of durable nylon cord offer maximum safety, retreadability and long life. It is no surprise, therefore, that they are the only type used on jet aircraft—the most demanding tire performance.

In Fishing and Marine Industries
Due to its great strength, nylon is used to manufacture sturdier, lighter, more efficient *fishnets* and *rope*—effecting great economy in these industries.



In Painting, Streetcleaning, Equipment and Transport Maintenance
"Tynex" monofilament nylon *brushes* do an outstanding job. Long life and maximum efficiency have made them mandatory wherever heavy-duty brushes are required.



In Industries where Protective Clothing is required
Acid resistance is a highly valued advantage of "ORLON" in *uniform fabrics.* Moreover, both fibres provide the light-weight warmth, extra strength and easy-care qualities needed *for arctic and all-weather work clothing.*

ECONOMIC LUXURY PERFORMANCE
In Hotels, Hospitals, Offices
Blankets of "ORLON" provide elegant appearance minimum shrinkage and long wear, having found particular favor in many institutions.
For luxury as well as for the way they retain texture, nylon *carpeting* and *upholstery* are being used more and more.

Versatile Industrial Applications
In addition to its well-known qualities, nylon has contributed new production concepts to such widely diverse fields as *Conveyor Belting, Paper Makers' Felts,* and *Coated Fabrics* for Tarpaulins, Marine and Construction Purposes, Athletic Field Covers and Inflatable Structures.
NYLON and "ORLON" acrylic fibre
working for Canadian business and industry in a wealth of products
Economic—luxurious—rugged—three adjectives invariably used whenever there's talk of these two Du Pont quality fibres. Here are some of the remarkable and varied ways in which nylon and Orlon are making major contributions to Canadian business and industry.
DU PONT CANADA
Better Things for Better Living . . . through Chemistry
Textile Fibres Department
DU PONT OF CANADA LIMITED • MONTREAL

Company Reports General

Auto Fabric

Auto Fabric Products Co., Montreal, makes a variety of automobile seat covers as well as a number of auto accessories, including cushions and baby auto seats.

It's one of the nation's largest makers of seat covers, has a warehouse branch in Regina.

A wholly owned subsidiary, **Warescot Products Ltd.**, makes metals products.

Company reports business was slow at the start of this year, but picked up later. Prospects now look "good" partly because of increased auto building and partly because the hard winter of 1958-59 delayed early sales, thus building later demand.

In December last year manufacturing operations, warehouse, offices and showroom were moved to "more suitable premises" in Montreal.

Net profit in 1958 was $40,267 compared with $14,253 in 1957.

Outstanding capitalization Dec. 31 included 25,000 npv Class A shares and 100,000 Class B shares.

Ayers Ltd.

Ayers Ltd., Lachute, Que., manufactures pulp and papermakers' felt, cotton and asbestos dryer canvas and transmission rope. It also has a piece goods and blanket division.

Tweeds, polo cloth, overcoatings, etc., are among the big-volume products of the piece goods mill. Also produced are blankets and traveling rugs for home and outdoor use as well as blankets and machine clothing for the printing and stereotyping trades.

In conjunction with **Scapa Dryers Ltd.**, Blackburn, England, company has established a plant at Waycross, Ga. This plant, **Scapa Dryers Inc.**, produces dryer felts for the paper industry. Ayers has a minority interest in this plant.

Plans by Ayers to establish a subsidiary plant in North Vancouver, B.C., were temporarily shelved last year because of the recession in the pulp and paper industry and uncertainty of prospects in the textile industry. Company officials indicate, however, building plans may be revived in the next year or so if conditions warrant.

Ayers currently has underway extensive capital expenditure programs. Company is spending $250,000 on new equipment, some 80% of which is to improve and expand facilities for production of papermakers' felts.

Included in the program is a new 600-in. loom and 310-in. needling equipment.

In addition, company is installing a new $75,000 water filtration plant. Over the next 12 mos. company may also spend $150,000 to $200,000 for equipment to manufacture new, undisclosed products.

Established in 1870, Ayers is privately owned. Financial results are not published.

Company is one of the largest suppliers of textile products to the pulp and paper industry. Mills at Lachute employ between 650 and 700 men. President is Gilbert Ayers.

Brantford Cord.

Brantford Cordage Co., Brantford, Ont., makes a complete line of hard fibre cordage products, primarily baler and binder twine (the so-called "harvest" twines), ropes and commercial tying twines. Company also sells synthetic ropes made of nylon, terylene and polyethylene.

It has a total capacity of about 11,000 tons of cordage products per year on a two-shift basis.

Capital expenditures in the past 10 years amounted to $1,262,000.

Company's assets (excepting cash and investments) were purchased this year for $2,989,547 by **Tancord Industries Ltd.** (formerly **Davis Leather Co.**) through **Trafalgar Investments Ltd.** Price paid by the Trafalgar group was $24 a share.

Net profit of $350,764 for the year ended Oct. 31, 1958, was 12.4% lower than previous fiscal year's $400,553. Earnings per class A share were $5.85 ($6.68 a year earlier) and per class B share $3.63 ($4.26). Dividends were being paid at the annual rate of $1 per class A share (75c in fiscal year ended Oct. 31, 1958) and 50c per class B share (37.5c).

Outstanding capitalization of Brantford Cordage Co. at Dec. 31, 1958, consisted of 60,000 npv class A shares, and 80,000 npv class B shares.

Caldwell Linen

Caldwell Linen Mills Ltd., Iroquois, Ont., manufactures cotton and linen towels and toweling. Operations include winding yarn, warping, weaving, dyeing, bleaching and finishing.

The company occupies a new $1,250,000 building on a 20-acre site a mile from its former site at Iroquois. The new plant contains 140,000 sq. ft. in which the parent company, **Dominion Textile Co.** has integrated some of its own production with similar items produced by Caldwell. As a result its lines have been broadened considerably and are meeting with a "good reception" in the trade.

Dominion Textile owns all common stock and 99.72% of the second preferred stock.

In 1957 the company had a net loss of $244,342, attributed to dislocation of operations arising from transfer of machinery and equipment to the new building and some decline in demand for company's products.

The loss in 1958 was reduced to $147,747, reflecting completion of the changeover and some improvement in marketing. It is anticipated that this improvement will continue at an accelerated pace.

Capitalization at Dec. 31, 1958, consisted of 15,000 npv first cumulative preferred shares, 25,000 npv second cumulative participating preferred shares and 150,000 npv common shares.

Canada W. Cord.

Canada Western Cordage Co., Vancouver, manufactures a complete line of manila and sisal rope, lines and fine twines, bearing the trademark Sentry. It has a plant at New Westminster, B.C.

Chief markets are in the four western provinces, and company also has an export trade with British West Indies, British Guiana, Venezuela and Guatemala.

Financial figures are no longer published. Net profit for fiscal year ended Sept. 30, 1*52, was $50,380, 65% lower than previous fiscal year's net profit of $143,849.

Outstanding capitalization at last report included 30,372 npv class A cumulative, convertible, non-callable, npv preferred shares, and 43,628 npv class B shares.

Cdn. Converters'

Canadian Converters' Co., Montreal, directly and through subsidiaries makes a wide variety of apparel with plants in Shawinigan, Valleyfield, Megantic, Montreal. Among its products are shirts, shorts, pyjamas, lingerie, hosiery.

Company recently acquired control of Tooke Bros., another prominent apparel-maker, through purchase of a majority of common and preferred shares and 5% debentures.

It was planned to make an offer to minority holders of stock and debentures. Tooke will continue to operate independently, will have available additional working capital. Changes are planned aimed at making the Tooke plant at Cap-de-la-Madeleine one of the most modern of its kind in North America.

Canadian Converters' markets its products throughout Canada and through sales offices in the West Indies, U. S. and United Kingdom.

Company reports business so far this year about the same as a year ago.

In last annual report company said plants are in a high state of operating efficiency, with no major equipment expenditures in 1958. Subsidiaries' operations resulted in an aggregate net profit for fiscal periods ended last year and the performance of these firms was called "generally satisfactory."

Net profit in 1958 was $27,321 compared with $19,494 the year before.

Outstanding capitalization Dec. 31 included 69,340 $20 par Class A shares and 34,670 Class B shares.

Dominion Corset

Dominion Corset Co., Quebec City, produces women's foundation garments on a large scale under such trade names as Gothic, Nu-Back, Lelong and Sarong.

Company has exclusive use in Canada of all the patents and trademarks on all its lines as well as Cordtex fabric, which it developed.

Use of patents and trademarks under license is permitted in other countries, including U. S., U. K., Australia, New Zealand, France and Belgium. The U. S. is company's most important source of royalty income.

Net profit in 1958 was $276,953 against 1957's $347,795. Earnings per share were $2.01 against $2.53.

Sales were up 8.6%.

Profit decrease was due to higher production costs, expenses in connection with a revision in production methods and to price reductions in several lines, stated President L. J. Adjutor Amyot. Revision of methods was carried over into 1959.

During the year company purchased more than a million sq. ft. of land for future expansion.

Outstanding capitalization at Dec. 31, 1958, consisted of $600,000 Series A 4% first mortgage sinking fund bonds, due 1967, and 137,500 npv common shares.

Esmond Mills

Esmond Mills Ltd., Granby, Que., manufactures blankets of Orlon, Acrilan, nylon and Orlon blends, baby blankets and napped fabrics. Company employs about 400.

It is a private company and does not publish financial statements.

Common shares are held by persons associated with **Beacon Manufacturing Co.**, Swannanoa, N.C.

Fabric Output and Use

	Production of all fabrics*	Imports	Exports	Apparent Supply	Supply per Capita (yards)	% Canadian
	million linear yards					
1935-39 average	294	120	4	410	37.1	71
1945-49 average	355	254	15	594	47.0	57
1950	467	233	6	694	50.7	66
1951	419	219	9	629	44.9	65
1952	344	283	7	620	42.9	54
1953	367	277	4	640	43.1	57
1954	340	250	4	586	38.3	57
1955	398	283	5	676	43.1	58
1956	393	316	4	705	43.8	55
1957	369	336	8	697	42.0	52
1958	338	351	6	683	40.1	49

*Shipments for 1953 and subsequent years.

Fibre Products

Fibre Products of Canada Ltd., Brantford, Ont., manufactures seat cushions, trunk rugs and other similar accessories for automobiles and trucks. Company also manufactures pads for underneath rugs, fillings for mattresses and other upholstering material. Main products are manufactured of cotton, jute and hair. A rubberized hair product is also manufactured.

Net profit for year ended June 30, 1958, was $64,061, compared with previous fiscal year's loss of $72,490. Earnings per common share were 79c for year ended June 30, 1958. No dividends were paid on common shares, and arrears of dividends on 5% preferred shares amounted to $2 per share.

Sales were fairly well maintained but profit margin was still very low, President S. J. Zacks said.

The old Windsor plant, which had been converted and over 90% rented, made a reasonable profit, the president stated.

A new mortgage was negotiated with **Investors Syndicate of Canada** on the Brantford plant to bolster company's working capital position.

Outstanding capitalization at June 30, 1958, included 5,925 5% preference shares, par $10; 198,000 3% second preference shares, par $1; and 70,000 npv common shares.

Hubbard Felt

Hubbard Felt Co., Montreal, produces men's and women's hoods, straw hoods and braids. It also operates a dyeing and bleaching business for this class of merchandise.

Company dyes yarns for producers who have no facilities of their own and for consumers who convert yarns into finished products. President H. N. Haller says company anticipates full use of its dyeing facilities throughout the year.

Net profit for year ended Nov. 30, 1958, was $92,450 against $102,692 for the preceding year.

Capital expenditures amounted to $118,501. Part was for laboratory extension and equipment to enable company "to keep abreast of continuing technical improvements."

Outstanding capitalization at Nov. 30, 1958, consisted of 12,500 shares of $1.50 cumulative participating Class A preferred stock, 7,500 shares of $1.50 cumulative participating Class B stock, and 30,000 npv common shares.

Gt. West Felt

Great West Felt Co., Elmira, Ont. owned and operated by one of the largest heavy footwear plants in the country, manufacturing felt footwear and other felt products, leather, nylon overboots and fabric and nylon casuals.

Operations ceased in July 1955.

In May, 1955, shareholders authorized the renting of the buildings in their entirety; this was done on a three-year lease beginning June, 1955, with option for renewal for five years. Owners keep buildings in repair and pay municipal taxes and insurance.

Rentals received for 1958, amounted to $17,100, and net income $4,776. (In 1955 consolidated net loss after depreciation was $7,560, compared with net loss of $103,286 for 1954.)

Bank loan was reduced in 1958 by $7,200 to $56,000 ($78,085 at Dec. 31, 1955.)

Outstanding capitalization at Dec. 31, 1958, consisted of 24,525 cumulative convertible non-callable npv preferred shares, and 35,475 npv common shares.

Preferred shares have an annual fixed cumulative dividend of 50c per share, and priority of $10 per share (together with all unpaid dividends) in the event of company's winding-up.

Preferred dividends are in arrears $3.125 per share, aggregating $88,116.

Harding Carpets

Harding Carpets Ltd., Brantford, Ont., manufactures rugs and carpets, specializing in seamless Axminster and Wilton rugs. All the weaving and finishing departments were consolidated in the Brantford plant, and carpet wool spinning operations were concentrated in the Guelph, Ont. plant as a result of changes made in 1954-55.

Company and **Newlands & Co.** amalgamated their worsted yarn divisions and formed a new firm in June this year. Called **Newlands - Harding Yarns Ltd.**, it will carry on their worsted yarn operations. (**FP**, June 20, 1959.)

Terms of the amalgamation give Newlands about 70% and Harding about 30% equity in the new company. Harding Carpets also acquires 30% interest in one Newland's subsidiary, **York Mending Wool Co.**

New company is now the largest producer of worsted yarn in Canada.

Harding Carpets has entered the tufted carpet field. Proceeds from the sale of $500,000 6% series B debentures are being applied to this new division. An addition to the Brantford plant will be built and production is expected to start in September.

Sales offices are maintained in Toronto, Montreal and Vancouver.

Net profit of $302,438 for year ended Oct. 31, 1958, was 11.3% higher than previous fiscal year's $271,731. Earnings per common share amounted to $1.28 ($1.15 a year earlier) and dividends paid were 55c (60c).

Sales increased by 8% to $8,087,963 and reached a new high in the carpet division. Physical volume of carpet sales improved, but pounds of yarn sold were down.

A major change in distribution of carpet by appointing exclusive distributors is showing favorable results.

For the six months ended April 30, 1959, sales increased 22% to $4,594,510. Net profit was $343,270 or $1.44 per share, compared with $90,008 or 38c per share for the same period a year earlier.

Outstanding capitalization at Oct. 31, 1958, consisted of 235,334 npv common shares; $840,000, 4% series A debentures due 1959-66; and $500,000, 6% series B debentures due 1967-71.

Holden Mfg.

Holden Manufacturing Co., Ottawa, produces tents, awnings and other canvas products, sleeping robes, safari beds, hunting and sports clothing.

It has two large factories in Hull, Que., with total floor space of 75,000 sq. ft. Last year a 4,000-sq.-ft. warehouse was built.

Net profit for 1958 was $117,122 against $100,104 in 1957. First quarter of this year was very encouraging, according to Managing Director R. V. Rochefort. He said sales and earnings were well ahead of a year ago.

Under proposals accepted by company's creditors in 1956, three payments of 5c on the dollar were made in 1958. This makes total payments of 35c to date.

Outstanding capitalization at Dec. 31, 1958, consisted of 598,200 1% non-cumulative redeemable preferred shares, $1 par; 30,135 npv class A shares and 50,225 npv class B shares.

Scythes & Co.

Scythes & Co., Toronto, manufactures cotton waste, wool waste, cotton wipers, oiled clothing, bunting flags, and canvas goods (including tents and tarpaulins) and is a distributor and jobber of cotton duck, cordages, twines and oakum.

Company's products are sold under name of Scyco and are in demand by railways, the mining industry, pulp and paper mills, power companies, construction and building contractors and other large industries.

Company has two plants in Toronto and one in Montreal.

Consolidated net profit for the year ended Nov. 30, 1958, was $9,410, compared with the previous fiscal year's $79,390. Earnings per preferred share were 89c ($7.42

(Continued on page 27)

THE
HAMILTON COTTON CO.
LIMITED
MANUFACTURERS OF
Cotton Yarn and Fabrics
Cotton Cordage and Twine
Webbing and Elastic
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SALES OFFICES IN
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Company Reports Synthetics

Assoc. Textiles

Associated Textiles of Canada, Louiseville, Que., operates spinning, weaving, dyeing and printing plants, and has been in operation there since 1930.

Company is a wholly-owned subsidiary of **United Merchants & Manufacturers,** and produces spun yarns and various man-made synthetic fabrics. Combinations of viscose and acetate, rayon, wool, and nylon are used in its spun mixtures. About 97% of it output is sold in the domestic market.

A wide variety of fabrics are manufactured for apparel and drapery trades. Heavy pressure from synthetic fabric imports and greatly expanded imports of synthetic garments has forced company to continue operating on a curtailed basis.

Financial reports are not issued.

Belding-Corticelli

Belding - Corticelli Ltd., Montreal, manufactures nylon, Orlon, Terylene, silk and rayon threads for all purposes.

Output consists of threads, ribbons, braids, tapes, shoe laces, elastics, embroidery cottons, full-fashioned and seamless nylon hosiery, knitting yarns, children's and ladies' sweaters.

Factories are at Montreal, St. Johns, Coaticook (2), Greenfield Park and Ways Mills, Que. Branch warehouses and offices are at Montreal, Toronto, Winnipeg and Vancouver.

Due to its policy of wide diversification, close control of costs and purchase of new equipment, company increased its earnings last year despite a 4.2% drop in sales.

President L. B. Ramsey said there was a reasonable increase in sales for the first five months of 1959. "Our advance orders are heavier than last year and, as we are increasing our advertising budget this fall, we are hopeful of better results for the full year," he said.

Net profit for 1958 was $139,982 against $109,393 a year ago.

Hosiery operations remained about the same as in 1957. Thread, ribbon and elastic divisions produced satisfactory results, despite strong import competition. Knitted outerwear operations were disappointing. Company has contracted with a leading children's knitwear company in U. S. for access to styling, operating methods, etc., and it feels this and purchase of two high speed circular interlock knitting machines will improve its competitive position.

Working capital at year's end was $2,004,530, an increase of $75,572 and the highest in company's history. Ratio of current assets to current liabilities was 7 to 1.

Outstanding capitalization at Dec. 31, 1958, consisted of 84,570 7% cumulative preferred shares, $10 par, and 76,910 npv common shares.

Man-made Fibres

Market for fabrics of man-made fibres

	Canadian Shipments	Imports	Apparent* Canadian Market	% Canadian
	—million linear yards—			
1935-39 average	46	7	52	87
1945-49 average	91	14	101	86
1950	118	11	128	91
1951	114	14	127	89
1952	100	28	127	78
1953	99	30	128	77
1954	82	29	110	74
1955	97	31	126	76
1956	96	32	126	75
1957	86	35	120	71
1958	76	36	111	68

*Apparent market = shipments + imports — exports.

Bruck Mills

Bruck Mills Ltd., Montreal, manufactures a complete product from yarn to finished goods, including screen and roller printing. It uses natural and synthetic fibres including rayon, nylon, silk, wool and cotton. It also does commission dyeing and printing.

Bruck fabrics include those for dresses, blouses, children's wear, sports wear, outerwear, men's and ladies' suitings, draperies, linings, and others.

Bruck Mills exports to the West Indies and South Africa.

Company's main plant at Cowansville, Que., consists of 1. buildings. Throwing, weaving, dyeing, finishing, and printing operations are carried on at this unit. There are 372 looms installed at Cowansville.

Sherbrooke plant spins yarn for weaving purposes and has 240 looms in place. The company's wide fabrics, which include linings, sports wear, suitings and outerwear are woven there. They are then shipped to Cowansville in undyed state where they are dyed and finished.

St. John's plant is a yarn processing mill where yarns are processed and sold to knitters and weavers. The principal production of this mill is stretch nylon which is sold to knitters for socks, leotards and other garments. The St. John's unit has been expanded during the year, both in terms of building area and capacity, reflecting increased demand for stretch texturized yarns of nylon.

There has been a considerable amount of modernization in the three units. Cost for capital expenditures during the current year will be about $300,000.

Sales for the current fiscal year show a reasonable improvement over those for the previous year and improved results are expected, company says.

For year ended Oct. 31, 1958, Bruck Mills reported a loss of $92,229 against $66,618 in preceding year.

Outstanding capitalization at end of fiscal period consisted of 125,000 shares class A $1.20 cumulative, participating npv shares and 250,000 class B npv shares.

Cdn. Celanese

Canadian Celanese Ltd., Montreal, manufactures yarns and fabrics made from a cellulose acetate base. It also produces staple fibre and some chemicals.

Fabrics are marketed under the registered trade name "Celanese", and cover a wide range of end-uses including dresses, draperies, linings, lingerie, suitings and outerwear.

In the past three years a number of new products have been introduced including "Celachrome", a spun-in-color yarn of superior fastness and brilliance; "Celafil" a fibre which has found a use in filling for pillows, and in mattresses, sleeping bags, etc.; new upholstery yarns specially designed for the modern trend in upholstery fabrics; "Trilan CQ", which has been especially designed for carpet manufacture.

Company owns approximately 265 acres at Drummondville, Que., 114 acres at Sorel, Que., and a weaving plant at Coaticook, Que., as well as a plant for the manufacture of blankets and fabrics in Brantford, Ont.

At Drummondville the buildings have a floor area of more than 1,250,000 sq. ft. The Sorel plant, with a floor area of approximately 250,000 sq. ft. manufactures fabrics and yarns made from cellulose acetate staple produced at the Drummondville plant. At Coaticook, a filament yarn weaving operation is carried out.

At Brantford the plant formerly belonging to the **Slingsby Manufacturing Co.** —acquired by Canadian Celanese recently—is being used for production of blankets and hair cloth and woollen suiting fabrics.

In the past two years a full-scale manufacturing operation making Trilan CQ carpets has been developed. Productive capacity has been continuously increased.

It is proposed to locate this carpet operation, which has grown beyond the floor space capacity at Drummondville, in the plant at Sorel.

A new division for developing specialized industrial fabrics has made good progress in marketing products made in the Celanese plants.

Net profit of $2,263,353 for 1958 was 2% lower than 1957's $2,311,221. Earnings per common share were $1.18 ($1.21 the year before).

Company spent $1,240,152 on additions and improvements to manufacturing facilities in 1958.

Considerable emphasis is still being placed on research in order to produce new textile products which will further diversify the market served by the company, says President C. W. Palmer. The proportion of sales of these new products to total sales has risen from 10% in 1957 to 21% in 1958. For the first quarter of 1959 they represent over 30% of total sales.

For the first quarter, dollar sales show an increase of 25% over the poor first quarter of 1958, and are about on a par with the good final quarter of that year. Moreover, due mainly to the greater proportion of new products, profit margins are somewhat higher, company says.

Outstanding capitalization Dec. 31 consisted of $4,378,000 3% debentures due April, 1962; 400,000 $1.75 cumulative redeemable preferred shares; 100,000 $1 cumulative redeemable preferred shares; 1,241,636 npv common shares.

Cdn. Chemical & Cellulose

Canadian Chemical & Cellulose Co. is a holding company owning all outstanding shares of **Canadian Chemical Co.,** of **Celgar Ltd.** and 68% of **Columbia Cellulose Co.** (the balance of such shares being held by an affiliate). Through Canadian Chemical Co. it has an option on all outstanding shares of **Chemcell Fibres Ltd.,** which are held by an affiliate.

Company was formed in 1952 by **Celanese Corp. of America** to develop the latter's Canadian operations.

Consolidated net loss for 1958 was $103,662, compared with net loss of $3,660,992 in 1957. This represents a deficit of 2c per share compared with a deficit of 73c per share in 1957.

Chairman Harold Blancke and President M. W. Mackenzie say the 1958 result was the balance of a loss of $1,215,383 in the first half of the year (partially due to loss of production and continuous costs of a strike in the British Columbia pulp and paper industry) and a profit of $1,111,721 in the second half.

Sales in 1958 were $41,950,215, representing an 18% increase over 1957. This provided the base for more efficient plant operations throughout the organization. Capital expenditures during

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Company Reports: General

(CONTINUED FROM P. 26)

in previous year). There were no earnings per common share ($1.32 for year ended Nov. 30, 1957).

Dividends amounted to $1.25 on preferred and $1 on common in each year.

Capital expenditures amounted to $17,999.

Statements of **Montreal Cotton & Wool Waste Ltd.,** Montreal, and **Otto Homuth Sons Ltd.,** Preston, Ont., wholly owned subsidiaries, are incorporated with those of parent company.

Outstanding capitalization at Nov. 30, 1958, consisted of 10,528 5% cumulative redeemable sinking fund shares, par $25, and 50,000 npv common shares.

Tip Top Tailors

Tip Top Tailors Ltd., Toronto, makes and distributes made-to-measure men's and women's clothing. Company has some 60 stores and approximately 2,100 agencies across Canada. It also carries on a direct mail business.

Haberdashery departments are operated in 49 of the stores and boys' wear departments in 10 stores. A few stores also have shoe departments.

Company owns a six-story plant in Toronto on 3½ acres; floor area totals approximately 254,000 sq. ft. Owned as well is a property and business in Vancouver.

Net profit was $39,718 for 53 weeks ended Jan. 3, 1959, compared with a net loss of $83,108 for 52 weeks ended Dec. 28, 1957. Earnings were 33c per share. No dividends were paid in the last two years.

Sales, which improved considerably in the latter part of 1958 over the like period in 1957, continued to show same improvement in first quarter of 1959, company reports.

Company placed a mortgage of $200,000 on one of its stores to secure additional long-term capital.

Outstanding capitalization at Jan. 3, 1959, consisted of 120,000 npv common shares.

Tooke Bros.

Tooke Bros., Montreal, manufactures shirts, collars, pyjamas, underwear, etc. Manufacturing operations are in a modern one-floor plant at Cap-de-la-Madeleine, Que., where company moved from Montreal. Warehousing is in Cap-de-la-Madeleine.

Controlling interest has recently been acquired by **Canadian Converters Co.,** through purchase of the majority of the 5% debentures, the preferred shares and the common shares.

An offer was to be made to minority holders of debentures, preferred and common shares.

Tooke Bros. is to continue to operate independently with G. A. Blundell remaining as president. Converters said the deal will provide Tooke with additional working capital.

It's planned to make some changes in production methods, machinery and plant layout aimed at making the Tooke plant the most up-to-date of its kind in North America.

Net loss for 1957 was $279,645 compared with net loss of $94,251 a year earlier.

Outstanding capitalization July 14 included $600,000 5% sinking fund debentures due 1968; 120,000 6% non-cumulative redeemable preferred shares, $6 par; 120,000 npv common shares.

Toronto Carpet

Toronto Carpet Mfg. Co., Toronto, makes rugs, sold throughout Canada under the trade name of Barrymore Guaranteed Rugs.

Company has four operating subsidiaries: **Barrymore Cloth Co.** and **Campbellford Cloth Co.,** manufacturing woolen and worsted cloth for women's and men's wear, yarns and automobile upholstering; **J. Henry Peters Mfg. Co.,** making women's and men's underclothing, and **Barrymore Furniture Co.,** producing upholstered furniture. Plants are in Toronto, Campbellford, and Pembroke, Ont.

Financial statements are not made available for publication. Outstanding capital stock consists of 10,000 common shares, par $100.

Woods Mfg.

Woods Manufacturing Co., Montreal, is a holding company owning virtually all shares of **Wabasso Cotton Co.** (see separate article in this supplement).

Consolidated net profit in 1958 was $63,364 compared with $40,366 in 1957. The 1957 total includes $25,334 profit on sale of fixed assets and on sale of investments. This figure rose to $339,753 in 1958.

This year company reports "some increase" in sales compared with last year; and little change in the profit picture.

Capital expenditures last year were $758,823, being largely responsible for a reduction in working capital from $5.2 million to $5 million. Further plant improvements are being continued but at a lower level than previously.

Company said results for Wabasso again reflected heavy volume of cotton textile imports from the U. S. and other nations.

Woods Bag and Canvas completed its first year of operations "under somewhat difficult conditions." The textile bag business was maintained with encouraging results but the canvas division had lower sales and profits.

Earnings of **Woods-Dryden Paper Bags Ltd.** (in which Wabasso has a 60% interest and **Dryden Paper Co.** 40%) were at a "satisfactory level" although lower than the previous year. Manufacturing operations have been extended to Alberta.

Outstanding capitalization Dec. 31 included $2.6 million funded debt; 60,000 $50 par class A 4% non-cumulative participating redeemable preferred shares; 112,364 npv common shares.

Biltmore Hats

Biltmore Hats Ltd., Guelph, Ont., manufactures men's fur felt and wool hats and bodies in the rough for both domestic and export trade. Lines include Biltmore, Dobbs, Knox and Cloth hardwear.

In 1957, company began selling men's quality furnishings through a wholly owned subsidiary, **Jess Applegath Ltd.**

Sales volume in the 1957-58 fiscal year was not affected by the economic recession, says President Norman McMillan. This was attributed to the new styles introduced by the company.

Consolidated net profit for the year ended Oct. 31, 1958, was $74,755, compared with $83,512 for the previous fiscal year. Earnings were equal to $1.87 on the class A stock ($2.09 a year earlier) and 87c ($1.09) on the common stock before participation.

During the year, additional felting machines were acquired, the finishing division was re-engineered and a conveyor method of production installed.

Outstanding capitalization at fiscal year end consisted of $225,000 4½% first mortgage bonds due 1959-64; 40,000 class A cumulative non-redeemable participating n.p.v. shares, and 40,000 common n.p.v. shares.

COSMOS IMPERIAL MILLS LTD.

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Mills Located at: YARMOUTH, N.S., HAMILTON, ONT.

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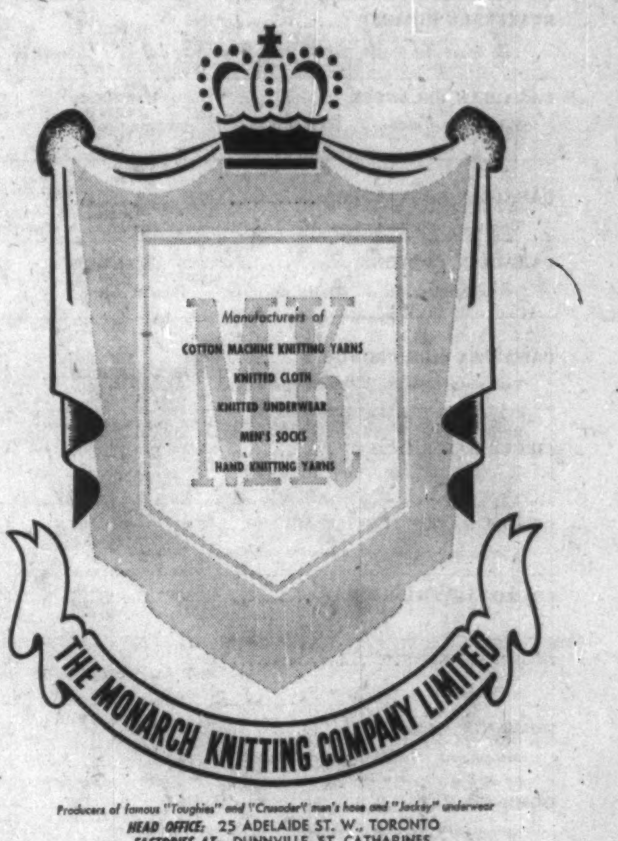
HAMILTON — ONTARIO



Producers of famous "Toughies" and "Crusader" men's hose and "Jockey" underwear

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DIVERSIFICATION

Diversification is more than just not "putting all your eggs in one basket". Diversification to us means the securing of a balanced demand for a wide range of our company's products . . . balancing season to season . . . allowing full utilization of plant and equipment . . . and reaching ever-widening markets.

Thus the full demand for carpeting complements the spring demand for sports products.

Products made of heavy yarns which place strong demands on our chemical plant but require the use of few textile spindles can be balanced by products made of light yarns requiring the employment of many textile spindles but placing only nominal demands on chemical plant equipment. For example, industrial fabrics balance dress fabrics and "sheers" can be balanced with "suitings".

Also, new fibres play a part in diversification. Such fibres when combined with old-established fibres can give the latter added value and new characteristics. For instance, new strong fibres added to "sensitive" traditional fibres give added wear while preserving perfect drape. In such ways, diversification by the addition of new products (products related to and integrated with established products) extends the scope of the company's business.

Today the Dress, Cloak-and-Suit, General Apparel, Carpet, Blanket, Upholstery, Drapery and Filter-cloth Industries are some of the industries served by Canadian Celanese Limited.

At Canadian Celanese, we consider that the door to an expanding future is diversification . . . and that *the key to Diversification is Research!*

CANADIAN CELANESE LIMITED

1980 SHERBROOKE ST. W., MONTREAL 25, QUE.

The Financial Post Statistical Record of Textile Companies

Unless otherwise stated the year taken is the calendar year; net earnings, the amount available for depreciation, bond interest, write-offs and taxes, after all expenses; net profit is after total income taxes; surplus for the year is the balance of net profit after dividends provided for the year.

Company	Year	Funded Debt $	Net Earnings $	Deprec. $	Total Income Taxes $	Net Profit after Total Taxes $	Earnings per Share Pref. $	Earnings per Share Common $	Dividends Pref. $	Dividends Com. $	Surplus for Year $	Working Capital $	Fixed Assets after Deprec. $	Deprec. Reserve $	Officers and Directors
AUTO FABRIC PRODUCTS CO.	1958	....	74,176	13,498	20,411	40,267	A ‡1.61	B 0.25	A 0.15+0.15	B nil	32,767	285,456	124,519	212,411	J. F. Ware, pres. & man. dir., Montreal; J. D. Gandaur, vice-pres.; W. I. Honeyman, C. L. Ware, J. M. Atwell. Sec.-treas.—R. Skulski.
‡Before participation; no earnings available for participation. dDeficit per share.	1957	....	32,278	16,834	1,191	14,253	‡0.57	‡d0.007	nil	nil	14,253	239,243	140,407	209,686	
BATES & INNES, LTD.	1958	....	▪69,948	....	....	▪69,948	A *d4.59	*d2.84	A 0.50	nil	▪77,573	312,311	480,587	675,859	C. W. Bates, chm.; R. W. Bates, pres. & gen. mgr.; J. R. Stewart, vice-pres.; J. A. H. Swayne, sec.-treas.; C. B. Stewart; Carleton Place, Ont.
▪Loss or deficit. *Before participation; no earnings available for participation. dDeficit per share.	1957	....	▪4,315	....	....	▪4,315	*d0.28	*d0.65	1.00	nil	▪19,565	381,777	479,366	675,859	
BELDING-CORTICELLI	1958	....	332,029	134,138	57,909	139,982	1.66	1.05	0.70	nil	80,783	2,004,530	1,296,573	3,887,963	L. B. Ramsey, pres.; J. N. Cole, vice-pres.; H. H. Bland, gen. mgr.; D. F. Pollock, O. B. Thornton, A. S. Bruneau, J. D. Johnson, R. C. Vaughan; Montreal. Sec.-treas.—R. H. Alston.
	1957	....	237,352	119,156	8,803	109,393	1.29	0.65	0.70	0.15	38,658	1,928,958	1,332,207	3,773,774	
BILTMORE HATS	*1958	225,000	178,700	39,294	52,900	74,754	A †1.87	†0.87	A 1.00	0.40	18,754	646,086	435,628	678,810	W. F. Franke, chm.; Norman McMillan, pres.; R. P. Ramsey, vice-pres. & treas.; Guelph, Ont.; M. L. Wills, D. G. Guest; Toronto. Sec.—N. H. Duncan.
*Year ended Oct. 31. †Before participation; no earnings available for participation.	*1957	262,500	175,256	44,244	34,000	83,512	†2.09	†1.09	1.00	0.40	27,512	629,878	466,654	642,117	
BRANTFORD CORDAGE	†1958	....	796,668	132,333	313,571	350,764	A 5.85	B 3.63	A ▲0.75	B ▲0.37½	275,764	*3,344,788	*817,938	*1,543,384	J. A. Gairdner, chm.; A. M. James, pres.; F. E. Smith, sec.-treas.; W. M. Messecar, J. A. McKay, Brantford, Ont.; R. A. Robertson, J. S. Gairdner, Toronto.
†Year ended Oct. 31. ▲3 quarterly dividends. *As at Dec. 31, 1958.	†1957	....	885,939	115,386	370,000	400,553	6.68	4.26	1.00	0.50	300,553	3,135,687	678,543	1,547,311	
BRUCK MILLS	*1958	†826,137	358,210	440,584	9,855	▪92,229	A ‡d0.74	B ‡d0.97	A nil	B nil	▪92,229	2,882,193	2,750,372	8,193,180	G. L. Bruck, pres.; R. J. Bruck, exec. vice-pres.; Montreal; L. S. Lee, vice-pres., Cowansville, P.Q.; H. Stern, sec. & treas.; Morton Darling, R. B. Perrault, L. N. Buzzell, H. G. Birks, N. A. Timmins, Jr., Montreal; Hon. Gaspard Fauteux, Westmount, P.Q.; Nathan Berkman, New York. Vice-pres. i/c merch.—H. M. Adelstein; Vice-pres. i/c sales—D. Abelson.
*Year ended Oct. 31. †Term bank loan $720,000 ($800,000), def. acct. pay. (sec.) $106,137 ($106,137). ▪Loss or deficit. *Before participation; no earnings available for participation. dDeficit per share.	*1957	†906,137	426,703	488,821	4,500	▪66,618	‡d0.53	‡d0.87	nil	nil	▪66,618	2,779,083	3,074,388	7,736,401	
BUTTERFLY HOSIERY	*1959	....	▪20,775	....	....	▪20,775	d70.19	d0.21	7.00	nil	▪22,847	309,737	579,880	975,073	Chas. Chipman, chm., New York; Russell Weaver, pres. & mgr., Drummondville, P.Q.; E. B. Beacham, 1st vice-pres., Easton, Pa.; W. V. Holton, 2nd vice-pres. & sec.; M. B. Holton, treas.; Hamilton, Ont.
*Year ended Jan. 3, 1959, Dec. 28, 1957. ▪Loss or deficit. dDeficit per share.	*1957	....	▪80,072	....	....	▪80,072	d270.51	d0.76	7.00	nil	▪82,144	331,180	579,462	975,838	
CANADIAN CELANESE	1958	4,378,000	6,420,412	1,996,519	2,015,000	2,263,353	†4.53	1.18	†‡	0.90	345,881	17,292,398	18,870,535	25,265,510	G. H. Whigham, chm., London, Eng.; C. W. Palmer, pres.; W. E. Henderson, vice-pres.; Montreal; Clifford Hargreaves, vice-pres.; P. N. Thomson, Joseph Simard, W. A. Arbuckle, Earle Spafford, Jean Raymond, Montreal; Rt. Hon. Arthur Meighen, Toronto; Vice-pres.'s—W. Ashworth, P. P. Haynes, T. H. Hilliard. Sec. & treas.—A. G. Allan.
†$1.75 and $1.00 series. ‡Paid $1.75 and $1.00 each year.	1957	4,816,000	6,484,723	1,967,043	2,050,000	2,311,221	†4.62	1.22	†‡	0.85	455,831	16,384,774	19,664,677	23,668,180	
CANADIAN CONVERTERS	1958	....	117,927	69,106	21,500	27,321	A *0.39	B *d0.71	A nil	B nil	27,321	1,094,453	690,602	846,426	D. S. Dubin, pres.; Lawrence Finkelstein, vice-pres.; Wm. A. Hutcheson, sec.-treas.; Seymour Finkelstein, E. E. Danson, Ralph Levine, Morty Finkelstein; Montreal. Gen. mgr.—Max Finkelstein.
*Before participation; no earnings available for participation. dDeficit per share.	1957	....	100,338	75,043	5,800	19,494	*0.28	*d0.94	nil	nil	19,494	916,178	749,618	791,343	
CANADIAN COTTONS	*1959	2,520,000	297,179	250,000	....	▲170,218	d1.20	d2.41	nil	nil	170,218	8,329,879	7,382,546	13,930,669	L. C. Bonnycastle, pres., Toronto; D. S. Gormley, exec. vice-pres.; A. S. Bruneau, vice-pres.; Montreal; J. D. Paddon, vice-pres. production, Cornwall, Ont.; A. C. Salter, J. M. Wells, H. B. Fewkes, Montreal; C. P. Fell, H. R. Jackman, J. G. Glassco, J. A. Lowden, B. H. Rieger, Toronto. Vice-pres. sales—H. E. Purcell. Sec.-treas.—J. E. Winters.
*Year ended Mar. 31. dDeficit per share. ▲Loss or deficit.	*1958	3,990,000	814,502	550,000	4,000	29,877	0.19	d1.14	nil	nil	29,877	7,728,674	7,320,878	13,777,859	
CANADIAN SILK PRODUCTS	*1958	1,200,000	▪6,478	34,192	....	▪413,885	A d1.44	B d17.42	A nil	B nil	▪143,885	266,692	2,365,432	1,051,754	A. A. Munster, chm. & treas., Sherbrooke, P.Q.; B. Q. Thompson, pres., Baie d'Urfe, Que.; G. G. Cooke, sec., Montreal; F. A. Field, Sr., W. M. Bourke, G. M. B. Morton, Montreal; H. C. Sherwood, Peterborough, Ont.; J. H. Munster, Sherbrooke, Que.
*Year ended June 30. dDeficit per share. ▪Loss or deficit.	*1957	1,250,000	109,147	6,507	652	472	0.005	d8.86	nil	nil	472	396,277	2,456,516	1,047,941	
CIRCLE BAR KNITTING	*1958	....	▪18,126	29,663	....	▪47,789	A d1.81	▲2.81	A nil	nil	▪47,789	395,780	437,203	994,951	J. G. Anderson, pres. & gen. mgr.; S. C. Mitchell, vice-pres.; Mrs. W. H. Mitchell; Kincardine, Ont.; R. L. Crombie, A. W. Howe, David Fry, J. A. Worsley, Toronto. Sec.-treas.—T. E. Phair.
*Year ended June 30. ▪Loss or deficit. dDeficit per share.	*1957	....	61,681	32,335	....	29,346	1.11	0.11	nil	nil	29,346	369,128	510,093	965,289	
CONSOLIDATED TEXTILE MILLS	1958	*330,000	148,971	128,047	2,033	11,550	2.80	0.03	1.00	nil	7,426	1,293,268	1,180,053	1,450,398	Morris Bornstein, pres.; R. Bornstein, vice-pres.; H. A. Bornstein, sec.; S. Bornstein, treas.; G. M. Hawthorn, G. E. A. McCain, Joseph Shapiro; Montreal.
*After deducting $40,000 installment due within 6 months.	1957	*160,000	141,069	119,419	1,959	8,768	2.10	0.02	1.00	nil	4,597	1,193,577	1,104,492	1,324,230	
COSMOS IMPERIAL MILLS	1958	....	875,301	209,946	260,000	405,355	....	1.01	....	0.80	85,355	2,739,524	2,037,119	3,452,548	A. V. Young, chm.; J. V. Young, pres. & gen. mgr.; W. T. Mayo, W. H. Young; Hamilton, Ont.; U. G. Dawson, Yarmouth, N.S.; H. R. Tudhope, C. S. Frost, Toronto. Sec.-treas.—J. T. Scarlett.
	1957	50,000	1,177,700	241,069	453,000	483,631	....	1.21	....	0.80	163,631	3,011,098	1,742,616	3,622,652	
DOMINION CORSET	1958	575,000	595,844	72,862	221,779	276,953	....	2.01	....	1.00	139,453	3,001,396	706,626	1,105,347	L. J. A. Amyot, pres., Quebec; Pierre Amyot, exec. vice-pres., Sillery, P.Q.; C. A. Cannon, vice-pres.; Quebec, P.Q.; R. O. Johnson, Montreal; A. E. Beauvais, Pierre Coté, Quebec, P.Q.; Richard Price. Sec.-treas.—Maurice Godbout.
	1957	600,000	736,756	71,187	292,524	347,795	....	2.53	....	1.00	210,295	3,068,271	533,815	1,034,392	
DOMINION FABRICS	1958	....	395,400	138,506	120,400	136,494	†*6.82	*1.52	†1.50	0.60	64,494	1,075,054	806,473	1,976,523	J. G. Camelford, pres.; J. A. Camelford, vice-pres.; W. W. Camelford, sec.; Mary Camelford; Dunnville, Ont.; Dorothy F. Kelly, Hamilton, Ont.; D. B. Dingle, Toronto.
†Second pref. *Before participation; after partic. 2nd pref. & com. earned $1.52 in 1958, $2.00 in 1957.	1957	....	491,260	134,324	168,600	188,336	†*9.42	*2.26	†1.50	0.60	116,336	978,068	795,695	1,847,131	
DOMINION TEXTILE	‡*1959	9,480,000	10,586,465	4,517,296	2,765,270	2,797,066	152.52	1.03	7.00	0.60	1,127,294	35,246,853	22,640,063	64,817,142	G. B. Gordon, pres.; F. R. Daniels, vice-pres. & man. dir.; E. F. King, vice-pres. sales; Hugh Crombie, Ross Clarkson, H. W. Thorp, Montreal. Vice-pres. admin.—L. P. Webster. Vice-pres. finance—W. A. Eversfield. Vice-pres. mfg.—J. B. Cumming. Sec.—R. D. Archibald. Treas.—A. J. Wishart.
‡Consolidated accounts of parent co. and Canadian subsidiaries. *Year ended Mar. 31.	‡*1958	12,441,500	10,221,593	5,311,728	2,240,881	2,153,205	117.41	0.79	7.00	0.60	489,412	33,781,330	25,674,877	61,110,966	
FIBRE PRODUCTS OF CANADA	*1958	119,580	79,509	‡	....	64,061	†10.81	0.79	†nil	nil	64,061	▲261,729	672,169	426,116	S. J. Zacks, pres., Toronto; P. G. Harris, vice-pres.; F. A. Horn, vice-pres. & gen. mgr.; Windsor, Ont.; S. D. Band, sec., Brantford, Ont.; L. M. St. B. Collins, treas.; Ayala Zacks, Toronto.
*Year ended June 30. ▪Loss or deficit. ‡No deprec. provided. dDeficit per share. ▲Excess of current liabilities over current assets. †5% pref. only; on 3% 2nd pref. earnings were $0.31 in 1958, d$0.38 in 1957, no divds. paid.	*1957	172,260	▪3,891	53,363	....	▪72,490	†d12.23	d1.16	†nil	nil	▪72,490	▲251,825	657,926	426,116	
GRANBY ELASTIC & TEXTILES	1958	280,000	113,703	63,915	9,500	25,498	0.07	0.74	0.01	nil	22,078	415,263	808,329	1,221,845	P. Horace Boivin, pres., Granby, P.Q.; Paul Panneton, vice-pres., Montreal; J. A. Comeau, sec.-treas., Granby; J. P. Dagenais, J. A. Hess; Montreal. Asst. gen mgr.—Alcide Guay.
	1957	320,000	143,331	63,479	24,000	39,171	0.11	1.19	0.01	nil	35,751	395,234	809,095	1,157,930	
GRAND'MERE KNITTING	1957	134,500	271,131	55,252	95,630	114,360	†5.87	1.80	1.25	nil	90,077	642,114	349,352	455,816	Albert Thibeault, pres., Grand'Mere, P.Q.; E. B. Watson, vice-pres., Montreal; P. A. Hawken, sec.; A. S. McNab, treas.; Grand'Mere; R. Belanger, J. L. Amyot, C. J. Dupuis, F. Tabah; Montreal.
†Based on shares o/s as calculated from dividends paid. *Not available.	1956	165,000	359,632	51,566	131,822	169,160	†9.06	3.56	1.25	nil	145,822	588,277	346,203	*	
HAMILTON COTTON	*1958	2,000,000	992,527	475,399	180,900	193,558	40.58	2.12	5.00	0.90	97,708	1,977,439	4,294,763	6,073,464	A. V. Young, pres.; J. V. Young, vice-pres.; W. H. Young, vice-pres. & gen. man.; Hamilton; S. B. Stewart, gen. sales mgr.; Dunlop Stewart, H. R. Tudhope, W. W. Robinson; Toronto; J. M. Young, D. M. Young; Hamilton. Sec.-treas.—E. G. Howe.
*Year ended Dec. 28, 1958, Dec. 29, 1957.	*1957	2,000,000	846,605	355,798	185,750	222,811	46.71	2.48	5.00	0.90	124,069	1,850,187	4,459,828	5,627,503	
HARDING CARPETS	*1958	1,340,000	827,022	203,454	270,000	302,438	....	1.28	....	0.55	173,297	3,914,535	1,482,914	3,201,883	C. M. Harding, pres.; C. V. Banks, vice-pres.; C. G. Cockshutt; Brantford; R. R. Corson, E. R. Deeks, H. J. McLaughlin, A. L. A. Richardson, M. C. G. Meighen; Toronto. Sec.-treas.—H. J. Kennedy.
*Year ended Oct. 31.	*1957	960,000	813,926	232,608	265,000	271,731	....	1.15	....	0.60	130,939	3,207,690	1,639,506	3,034,152	
HOLDEN MANUFACTURING	1958	....	153,180	36,058	....	117,122	A †3.89	B †1.97	nil	nil	117,122	96,569	635,951	345,699	H. E. Palmer, pres., Ottawa; J. R. Woods, vice-pres., Aylmer, P.Q.; R. V. Rochefort, man. dir.; I. H. Short, sec.-treas.; D. K. MacTavish, G. Perley-Robertson, G. F. Henderson; Ottawa.
†Before participation; after participation Cl. A earned $1.64 ($1.43), cl. B $1.34 ($1.13).	1957	....	133,736	33,632	....	100,104	†3.32	†1.63	nil	nil	100,104	46,827	634,300	309,641	
HUBBARD FELT	*1958	....	234,360	68,776	73,134	92,450	†7.40	2.08	‡1.50	nil	51,200	290,313	349,774	383,439	H. N. Haller, pres. & treas.; F. J. Knight, vice-pres. & sec.; A. D. Finnie, S. M. C. Beck, E. Evangelist; Montreal; S. A. Pakes, Toronto.
*Year ended Nov. 30. †Class A only; class B earned $9.83 in 1958, $11.19 in 1957. ‡Class A only; on class B paid $1.50+$1.50 on arrears in 1958 and 1957.	*1957	....	240,607	58,590	79,325	102,692	†8.22	2.42	‡1.50	nil	61,442	293,368	294,699	317,383	
JANTZEN OF CANADA	*1958	....	103,003	27,680	29,187	46,136	....	0.77	....	0.40	22,136	399,019	307,270	372,234	J. R. Bayne, pres.; G. W. McDonald, vice-pres., gen. mgr. & sec.; M. M. Grossman, G. E. Winter; Vancouver; R. M. McCreight, Portland, Ore. Vice-pres. & plant mgr.—A. Kline.
*Year ended July 31.	*1957	....	179,233	26,350	65,198	87,685	....	1.46	....	0.40	63,685	391,880	319,310	347,361	
LONDON HOSIERY MILLS	*1959	....	12,197	28,962	....	▪16,765	A d0.37	d0.66	A 0.60	0.85	▪111,765	450,610	153,474	446,452	L. A. Dunbar, chm., Preston, Ont.; J. A. McKeeman, pres., London, Ont.; J. C. Currie, vice-pres., Toronto; E. A. Holyer, gen. mgr.; A. S. Foreman, sec.-treas., London, Ont.; C. M. Dare, Kitchener, Ont.
*Year ended Mar. 31. ▪Loss or deficit. dDeficit per share.	*1958	....	31,019	27,031	950	3,038	0.07	d0.41	0.80	0.30	▪56,962	451,206	160,758	418,220	
MONARCH KNITTING	1958	1,270,000	501,995	249,869	....	151,051	36.78	0.93	6.00	nil	125,931	1,726,470	2,212,835	2,385,070	Rt. Hon. Lord Barnby, chm., London, Eng.; K. L. Markon, pres. & treas.; A. S. Russell, vice-pres. & gen. mgr.; D. A. McIntosh, sec.; F. C. Deacon, G. E. Hanks, C. F. W. Burns, D. Bruce Shaw; Toronto.
	1957	1,375,000	439,392	275,400	....	101,815	22.96	0.58	nil	nil	101,815	1,451,039	2,472,324	2,164,336	
NATIONAL HOSIERY MILLS	*1958	585,000	533,543	195,773	99,300	202,196	A 14.94	B 0.56	A 0.20	B 0.32	85,803	1,261,920	1,963,929	3,959,043	E. B. Eastburn, pres. & treas., Hamilton, Ont.; A. C. Howatson, vice-pres.; Montreal; Walter Hardie, sec.; H. P. Frid, J. G. Langs, A. I. Pannabecker; Hamilton; J. B. Ridley, Toronto.
*Consolidated statement.	*1957	790,000	795,192	347,948	186,908	214,839	15.41	0.60	0.20	0.32	98,478	1,354,870	1,995,110	3,773,233	
PATON MANUFACTURING	*1959	565,000	355,078	‡171,847	13,200	150,110	7.57	2.45	1.40	0.40	102,349	1,221,930	600,639	2,434,630	F. R. Daniels, pres.; H. K. McLean, vice-pres.; A. F. Anderson, treas.; J. M. McGillis, G. Blair Gordon, A. D. McCall, H. Roy Crabtree; Montreal. Sec.—Robert Neill.
*Year ended Apr. 30. ▪Loss or deficit. dDeficit per share. ‡Of which $59,798 is additional depreciation for 1958.	*1958	591,500	▪86,997	59,521	....	▪145,161	d7.32	d3.46	1.40	0.40	▪192,922	1,024,574	714,647	2,286,789	
PENMANS	1958	964,000	1,741,026	197,966	827,277	687,283	63.93	3.22	6.00	1.80	274,386	7,635,619	1,323,570	7,053,931	G. W. Grier, pres.; B. K. Gunn, vice-pres. & gen. mgr.; Montreal; L. P. Roberton, sec.-treas., Paris, Ont.; G. B. Gordon, Hon. G. B. Foster, J. F. Baillie, Montreal.
	1957	1,009,000	1,463,977	219,391	542,200	559,648	52.06	2.56	6.00	1.60	166,106	7,192,705	1,432,771	6,877,974	
RIVERSIDE SILK MILLS	1958	200,000	119,285	90,770	2,274	13,241	A *0.44	B *d2.34	A 0.50	B nil	▪1,759	253,054	469,427	934,543	R. B. Law, chm., Welland, Ont.; K. D. Bailey, pres., Galt, Ont.; J. S. Deacon, vice-pres., Toronto; H. P. Wright, sec., Burlington, Ont.; D. M. Deacon, Toronto, Ont.; Treas.—L. R. Dobbin.
*Before participation; no earnings available for participation. ▪Loss or deficit. dDeficit per share.	1957	200,000	117,420	101,889	....	12,274	*0.41	*d2.39	nil	nil	12,274	263,588	514,059	882,494	
ROBINSON COTTON MILLS	*1958	150,000	75,099	†103,085	26,925	▪69,029	d0.36	d0.65	nil	nil	▪69,029	954,106	928,675	2,823,829	W. W. Robinson, chm. & man. dir.; W. H. H. Robinson, pres., W. W. Burkart, exec. vice-pres.; A. G. Hogg, vice-pres., mfg.; W. J. McCreight, sec.-treas.; R. A. Stewart, vice-pres., sales; R. G. Robinson; Toronto.
*Year ended Dec. 21, 1958, Dec. 18, 1957. †Incl. $3,773 amort. of patents. ▪Loss or deficit. dDeficit per share.	*1957	225,000	211,640	†128,753	2,743	68,072	0.34	0.25	nil	nil	68,072	1,075,326	982,172	2,724,670	
SCYTHES & CO.	*1958	....	41,965	23,055	9,500	9,410	0.89	d0.08	1.25	1.00	53,687	1,278,967	498,986	766,719	J. A. Scythes, pres.; J. B. Scythes, vice-pres. & gen. mgr.; H. A. Stephens, C. E. Abbs, Wm. Zimmerman, G. R. Donovan, W. B. Macdonald, Toronto. Sec. & treas.—F. Wilkinson.
*Year ended Nov. 30.	*1957	....	172,366	45,476	47,500	79,390	7.42	1.32	1.25	1.00	16,008	1,334,474	492,255	755,451	
SILKNIT LIMITED	1958	350,000	606,041	‡37,200	194,000	258,938	30.64	3.46	2.00	1.00	176,328	2,612,345	1,089,256	1,820,454	M. H. Epstein, pres.; H. B. Epstein, vice-pres.; E. J. Leranbaum, treas.; H. T. Burgess, sec.; E. Gordon McMillan, Max Rogers, Mrs. Anne Epstein; Toronto; C. W. Dumas, Montreal; J. A. Pinatel, Joliet, P.Q.
	1957	355,500	378,354	107,214	93,180	160,529	18.49	2.23	2.00	1.00	78,989	2,768,300	716,972	1,720,852	
STANFIELD'S LTD.	1958	....	....	....	....	291,033	A 4.85	B 2.55	A 0.60	B 0.60	195,033	3,097,496	338,155	1,023,046	F. T. Stanfield, pres.; C. E. Stanfield, vice-pres.; H. F. Bethel, sec.; F. M. Blois; Truro, N.S.; W. T. White, Halifax, N.S. Treas.—A. G. Fraser.
	1957	....	....	....	....	276,302	4.61	2.40	0.60	0.60	180,302	2,927,850	323,490	958,401	
TIP TOP TAILORS	1958	398,093	269,153	153,094	....	39,718	....	0.33	....	nil	39,718	2,960,643	2,012,886	2,577,993	David Dunkelman, chm.; Benjamin Dunkelman, pres. & gen. mgr.; E. Dunkelman, treas.; R. A. Daly, D. A. McIntosh, M. M. Miller, C. H. Stabler; Toronto; M. B. Steinkopf, Winnipeg; Morton H. Wilner, Washington, D.C.; W. Gordon, G. W. Allport. Sec.—L. M. Kennedy.
▪Loss or deficit. dDeficit per share.	1957	215,819	180,570	179,147	....	▪83,108	....	d0.69	....	nil	▪83,108	2,694,801	2,153,104	2,448,342	
TOOKE BROS.	1958	600,000	†251,857	22,990	....	†304,847	d2.54	d2.90	....	....	†304,847	138,760	521,873	578,661	H. H. Woodward, chm.; G. A. Blundell, pres. & sales mgr.; G. H. Imrie, vice-pres., merch.; J. T. Stevens, Montreal. Vice-pres., treas. & gen. mgr.—E. H. Willis. Sec. & asst. treas.—G. L. Laforest.
†Loss or deficit.	1957	600,000	†164,940	23,274	....	†279,645	d2.33	d2.69	....	....	†279,645	453,388	332,092	561,029	
WESLEY MASON MILLS	1957	222,000	▪78	†2,796	....	▪10,052	d1.48	d0.95	nil	nil	▪10,052	‡171,806	595,540	223,841	N. M. Davis, chm., Toronto; A. W. Mason, pres., Montreal; G. E. Hall, vice-pres. & gen. mgr.; R. W. Paterson, treas.; A. J. Martin, sec.; M. D. Davis, H. G. Stapells, T. D. Miller, N. S. Robertson, P. O. Evans; Toronto; K. M. Arthur.
▪Loss or deficit. †On automobiles only. dDeficit per share. ‡Excess of curr. liabs. over curr. assets.	1956	255,500	9,648	†1,366	....	▪3,457	d0.51	d0.82	nil	nil	▪3,457	‡150,943	588,426	224,364	
WOODS MANUFACTURING	*1958	2,600,000	484,135	307,546	....	63,364	1.06	d0.50	2.00	†	▪56,636	4,997,664	7,868,360	20,584,704	H. Roy Crabtree, chm. & pres.; B. S. Saunders, vice-pres. & gen. man.; R. R. Moffit, vice-pres. & treas.; C. S. Cox, vice-pres. mfg.; F. P. Brais, H. P. Thornhill, L. W. Townsend; Montreal; Aubrey Crabtree, Edmundston, N.B.; A. L. Penhale, Thetford Mines, P.Q.; W. Taylor-Bailey, Montreal. Sec. & asst. treas.—A. J. Fyfe.
*Consolidated statement. ‡Credit. †Stock dividend paid of one cl. B 4% noncum. red. $1 par pref. sh. for each sh. held; subsequently redeemed in each year. ▪Deficit. dDeficit per share.	*1957	3,000,000	880,103	741,475	‡26,175	40,366	0.67	d0.80	2.00	†	▪79,634	5,221,326	7,511,917	20,342,932	
WOOL COMBING CORP.	▲1958	....	138,856	46,842	37,984	54,030	....	1.04	....	0.50	28,030	140,110	285,879	236,740	Rt. Hon. Lord Barnby, pres., London, England; K. L. Markon, vice-pres.; G. F. Leaver, vice-pres. and treas.; D. A. McIntosh, sec.; C. F. W. Burns, H. N. Hunter, P. C. Finlay, F. Cleyn, R. A. Davis, Toronto.
▲Consolidated. †Loss or deficit.	1957	....	†14,314	504	....	†14,818	....	d0.28	....	0.10	†20,018	72,394	11,768	4,662	
YORK KNITTING MILLS	1958	1,950,000	159,979	279,726	....	▪192,647	A d0.58	B d0.46	A nil	B nil	▪192,647	1,635,858	1,806,934	2,860,916	J. D. Woods, pres.; J. S. Woods, vice-pres. & gen. mgr.; R. Presgrave, J. D. Woods, Jr., vice-pres.'s; H. H. Lawson, C. M. King, W. P. Walker, J. S. Lewis; Toronto; C. S. McMaster, Woodstock, Ont. Sec.-treas.—J. A. Young.
dDeficit per share. ▪Loss or deficit.	1957	2,050,000	452,315	302,104	3,500	69,944	0.21	d0.09	nil	nil	69,944	1,857,870	1,892,569	2,724,082	

Company Reports Cottons

Cdn. Cottons

Canadian Cottons Ltd. is engaged in "drastic reductions in operations and a regrouping of profitable lines." Operations will be confined to company's Cornwall plant.

All activity at Hamilton will be discontinued by year's end. There the denim plant has been operating at less than 50% of capacity owing to lack of demand and stiff U. S. competition.

The small yarn mill at Saint John, N.B., has been closed and the Rosamond woolen mill at Almonte, Ont., has been sold to **Zephyr Textiles Ltd.**

President L. C. Bonnycastle said over the last 6 yr. company's surplus and reserves have been reduced substantially, shareholders have received no dividends and their equity has decreased drastically. "The reduction in operations is therefore inevitable," he said.

In year ended March 31, Canadian Cottons reported net loss of $170,218 against profit of $29,877 in preceding year. Sales were maintained but "business has become increasingly competitive, prices have been low and imports from U. S. and low-wage countries have increased."

Working capital at $8,329,879 showed an improvement of $601,205. This was due largely to sale of company's investment in **Textile Sales Ltd.**

Canadian Cottons received $2,307,157 in cash and $500,000 in 5-yr. serial notes plus an interest in final liquidation of certain properties in Grand'Mere, Que., and Milltown, N.B., less $1,470,000 applied to redemption of first mortgage bonds and some $400,000 spent on fixed assets.

Capitalization at March 31 consisted of $3,030,000 5% first mortgage bonds, due $510,000 Sept. 1, 1959-61, and $1,500,000 due Sept. 1, 1962; 142,272 shares of 6% noncumulative preferred shares, $20 par; and 141,610 npv common shares.

Cotton Fabric Market

	Canadian Shipments	Imports	Apparent* Market	% Canadian
	—million yd.—			
1935-39 average	232	101	330	69
1945-49 average	236	227	452	50
1950	321	209	525	60
1951	281	193	465	58
1952	225	243	462	48
1953	247	231	475	51
1954	241	209	447	53
1955	279	239	514	54
1956	277	266	539	51
1957	264	281	539	48
1958	245	299	539	45

*Apparent market = shipments + imports — exports.

Cosmos Imperial

Cosmos Imperial Mills Ltd., Hamilton, Ont. manufactures heavier grades of cotton duck used for making vessel sails, mechanical belting and hose, railway car roofing, binder canvases, tarpaulins, tents, awnings, filters and cotton dryer felts. The latter, which is used on paper-making machines, is one of the company's principal products.

Main plant is at Yarmouth, N.S. Sales throughout Canada are handled by a wholly owned subsidiary, **J. Spencer Turner Co. Ltd.**

Consolidated net profit for 1958 was $405,355 compared with a net profit of $483,631 in 1957. This was equivalent to $1.01 per share compared with $1.21 in the preceding year.

Production and sales were adversely affected by foreign competition and gradual slowdown in industrial demand, President J. V. Young reports.

Capital expenditures totaling $520,044 included transfer of manufacturing operations from Imperial Division at Hamilton to Cosmos Division at Yarmouth, where building facilities were expanded, and the starting up of company's new dryer felt loom.

Consolidation of manufacturing operations at Yarmouth will benefit the company through economies obtained by larger production runs, company believes.

Head office and sales office together with converting operations and some warehousing, remain at Hamilton.

Outstanding capitalization at Dec. 31, 1958, consisted of 400,000 npv common shares.

Dom. Fabrics

Dominion Fabrics Ltd., Dunnville, Ont., manufactures towels, face cloths, bedspreads, bath sheets, dish cloths, pot holders and draperies, marketed under the trademark "Camtex." It also operates under lease from a subsidiary, **Dominion Yarns Ltd.,** a plant at Welland, Ont., to spin yarn for its products.

Combined operations comprise a complete process from raw cotton to finished product, including spinning, winding, weaving, dyeing, bleaching and finishing. Equipment in the plants includes more than 8,500 cotton spindles and 250 looms, together with the necessary processing and finishing machinery.

Consolidated net profit in 1958 amounted to $136,494, against $188,336 for the previous year. Earnings per share were $6.82 on the second preferred ($9.42 in 1957) and $1.52 on the common stock ($2.26).

Outlook for the business continues to be dominated by two factors beyond the control of management, says President J. Gordon Camelford: (1) importation of low priced foreign merchandise into the Canadian market and (2) the raw cotton disposal policies of the U. S.

Management continues to meet these problems by giving every attention to reduction of costs through modernization of plant and through careful control of inventories of both raw materials and finished goods, says the president.

During 1958, a total of $149,000 was spent on capital improvements.

Outstanding capitalization at Dec. 31, 1958, consisted of 20,000 $1.50 second preferred npv shares and 70,000 npv common shares.

Dom. Textile

Dominion Textile Co., Montreal, manufactures a wide range of cotton yarns, fabrics, rayon and nylon tire fabric, etc., and engages in bleaching, printing and dyeing of yarns and manufactured goods.

Company has six integrated weaving and spinning mills, one spinning plant, one bleaching, dyeing and printing plant located in Quebec Province. Three are in Montreal and suburbs, two are at Magog, one at Montmorency Falls, one each at Sherbrooke and Drummondville.

Plants of company's subsidiary, **Montreal Cottons Ltd.,** at Valleyfield, Que., manufacture cottons yarns and synthetic fabrics.

Another subsidiary, **Domil Ltd.,** operates two mills at Sherbrooke, Que., and one in Montreal. Synthetic fabrics are woven and finished at the plants.

Consolidated net profit for the year ended March 31, 1959, was $2,797,066 compared with $2,153,205 in the previous year.

This represents earnings of $152.51 per preferred share ($117.41 in 1957-58) and $1.03 per common share (79c).

Net sales during the year were 3.2% higher than in 1957-58 while net earnings were 2.82% of sales.

At the annual meeting of shareholders held last month, President G. B. Gordon said indications so far are that the rate of earnings attained last year is being maintained.

Company officials express some concern that improved financial results of the last 3 yrs. are due largely to relatively low raw cotton prices.

Company's main source of supply has been stocks of U. S. cotton owned by the U. S. Government and sold by **Commodity Credit Corp.** for export at prices lower than those to U. S. mills.

How much longer bargain-priced raw cotton will be available from this source is not known.

Consolidated capital expenditures in 1958-59 were just over $1.8 million, down sharply from $8.3 million in the previous year. They bring to $59 million total capital outlays made by the company in the 14-yr. postwar period.

Further capital expenditures will be required over the next few years but competition dictates caution until the future of the textile industry in Canada becomes clear, company officials say.

Outstanding capitalization Mar. 31, 1959, comprised 18,339 7% cumulative redeemable preferred shares ($100 par) and 2,583,574 npv common shares.

Balance sheet gives effect to maturity Sept. 1, 1959, of $2,881,500 3½% first mortgage bonds which leaves funded debt at $9,480,000.

Hamilton Cotton

Hamilton Cotton Co., Hamilton, directly and through its subsidiaries manufactures and sells a diversified line of cotton products including cotton yarn, cloth, twine and cordage products, elastic and plain braids and webbing.

Cotton yarns are spun for company's own requirements and in addition a substantial amount is sold. Company does a large part of its own dyeing and bleaching as well as some custom work.

Chief component of all lines produced by the company and its subsidiaries is cotton, but artificial fibres are also used where they develop advantageous properties.

Yarns of cotton, rayon and blends of cotton and rayon are sold to mills producing knitted goods and woven materials. They are also used for the covering of wires and cables. Fabrics are sold to manufacturers of clothing, rubberized fabrics, cotton bags, etc.

In 1953, the company established its own sales organization with offices in Montreal, Toronto, Hamilton and Winnipeg for all products except yarns, which continue to be distributed throughout Canada by **Wm. B. Stewart & Sons Ltd.**

Wholly owned subsidiaries are **Trent Cotton Co.** at Trenton, Ont., and **International Braid Co. of Canada,** near Montreal. Operations of **Grand Valley Textiles Ltd.,** Galt, Ont., acquired in 1956, have been combined with parent company at Hamilton and the Galt assets sold.

Consolidated net profit for the year ended Dec. 28, 1958, amounted to $193,558, down from $222,811 for the previous fiscal year.

Decline is attributable to import competition as well as recession in domestic business, President A. V. Young reports.

Newly renovated plant at Marysville, N.B., did not achieve its expected level of operating efficiency due to "breaking-in" problems.

Spinning and weaving machinery owned by **Robinson Cotton Mills,** Woodbridge, Ont., was installed at Marysville where it is being operated under an arrangement which yields a satisfactory

(Continued on page 33)

Rohm & Haas CHEMICALS for the Textile industry

LYKOPON concentrated sodium hydrosulfite powder for reducing vat dyes and for stripping in alkaline and neutral solutions.

FORMOPON sodium sulfoxylate formaldehyde powder or lumps for discharge and vat printing.

ACRYSOL water-soluble sizes for synthetic and natural fibers and thickeners for pastes and dispersions.

RHONITE water-soluble urea formaldehyde condensates for crush resistance, stabilization against shrinkage and stretch, calendered effects, added weight and proper handle — all on a durable, washfast basis.

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LAVEPON non-ionic detergent for neutral and alkaline grease wool and piece goods scouring.

FORMOPON EXTRA, PROTOLIN W AND PROTOLIN SX zinc hydrosulfites and sulfoxylates for stripping all types of fibers.

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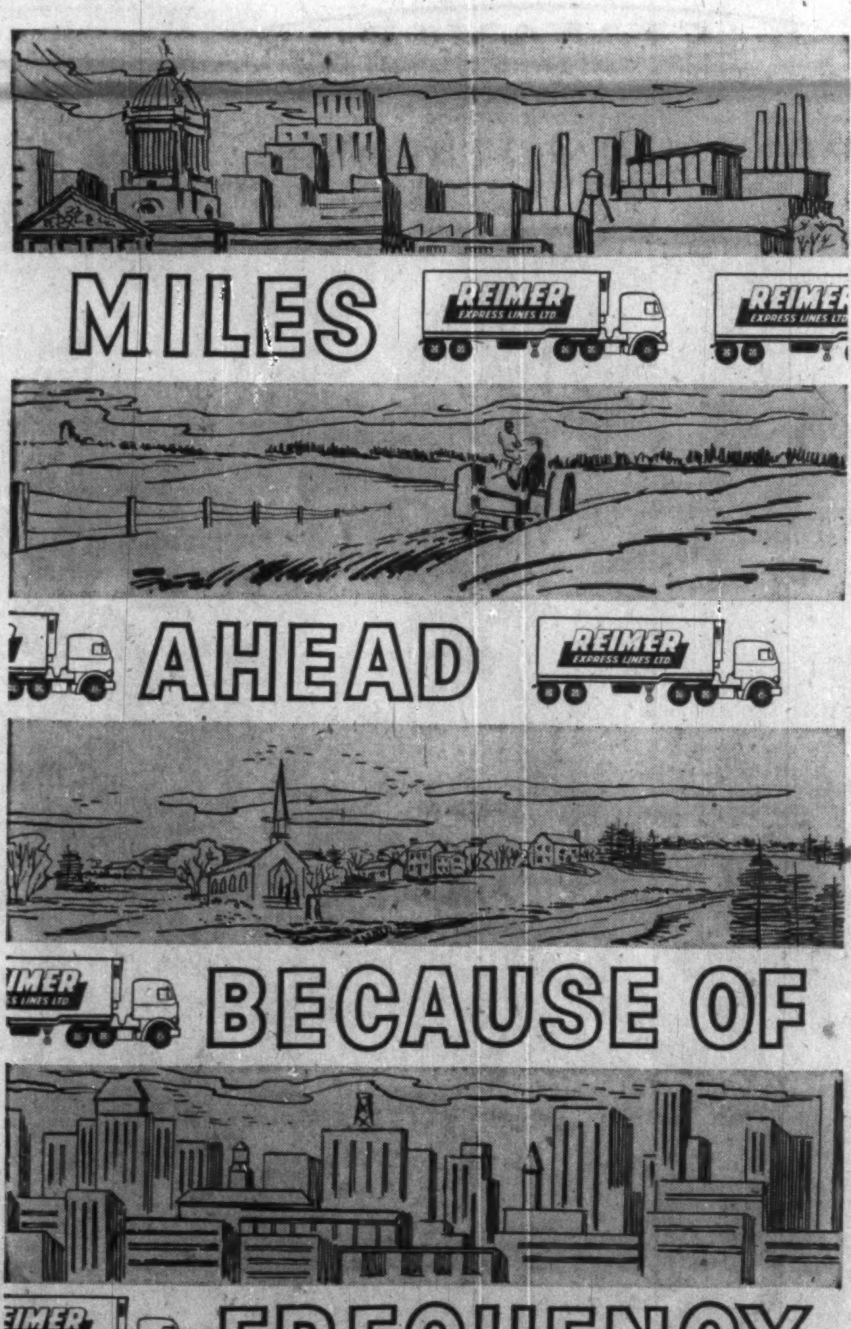

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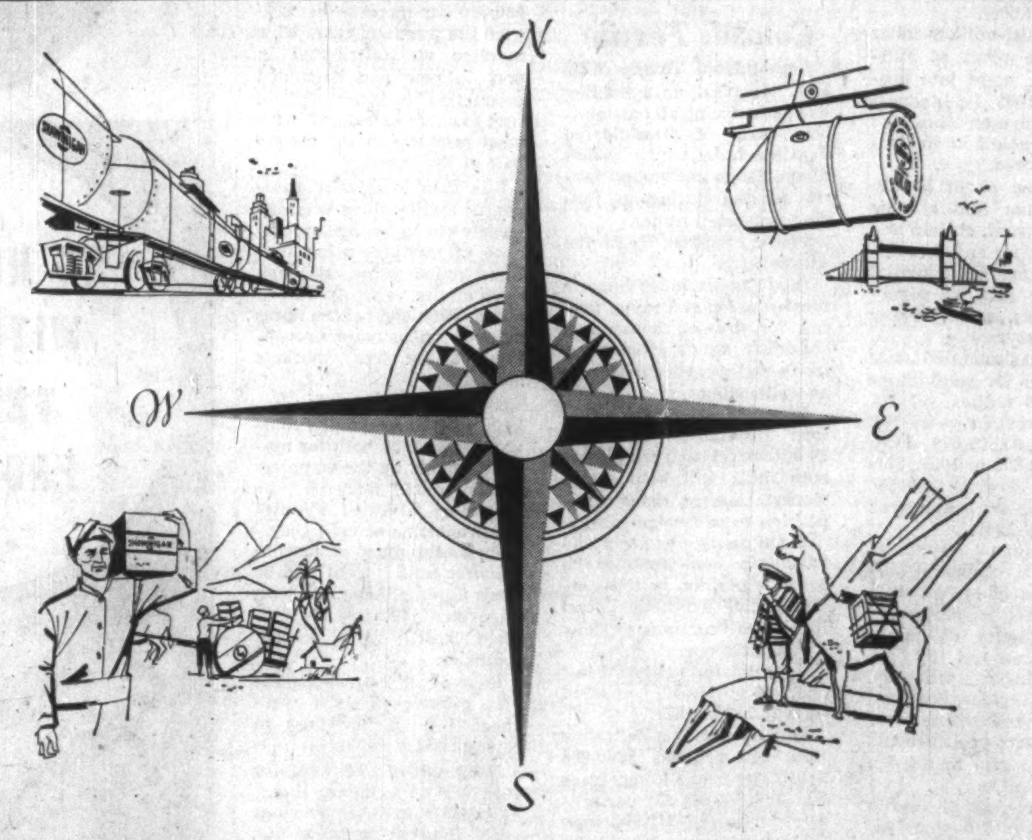

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Company Reports Synthetics

(CONTINUED FROM P. 27)

the year amounted to $4,006,440.

Mackenzie in April told the annual meeting of shareholders that the first half of 1959 will show considerable improvement over the last half of 1958.

The outlook for the balance of the year, he said, is good.

Expanded pulp capacity at Prince Rupert, now in excess of 375 tons per day, should be utilized. The demand for most of the company's chemical products continues strong and, if the present trend keeps up, the basic chemical facilities at Edmonton will have to be expanded.

Fibre capacity at Edmonton has been enlarged and sales well in excess of 1958 are indicated.

Construction of a new bleached kraft pulp mill at Castlegar, B.C., is well in hand, with an estimated completion date of March, 1961.

Chemcell Fibres Ltd. conducts yarn and fibre finishing and marketing operations for Canadian Chemical and also handles textile sales in Canada of Celanese Corp. of America. Growing markets for Arnel and for cigarette tow, as well as steady expansion of regular acetate sales, are reported.

Outstanding capitalization at Dec. 31, 1958, consisted of $15 million notes payable; $43,780,000 mortgage bonds; 5,040,400 npv common shares.

C.I.L.

Canadian Industries Ltd., Montreal, formed as a result or the division in 1954 of the original **Canadian Industries Ltd.** into two separate companies — manufactures agricultural chemicals, ammunition, chemicals, explosives, coated fabrics, paints, plastics and textile fibres.

CIL's multi-million-dollar textile fibre plant at Millhaven, Ont., went into production in 1953. Its produces Terylene polyester fibre.

Output is sold both in Canada and abroad.

Used alone or in blends, Terylene goes into a wide range of apparel, curtain and drapery fabrics and in addition has many industrial applications such as papermakers' felts, ropes, fishing nets and fire hose.

In 1958 consolidated sales of CIL and its subsidiaries were $140.8 million, off 1% from the previous year. Net profit was $5,170,079 down from $8,662,250 in 1957. This represents earnings of 58c per common share compared with 98c in 1957.

In the annual report to shareholders company says use of Canadian products containing Terylene increased in 1958 despite difficulties being experienced by the textile industry generally. Export of Terylene, however, was greatly reduced as world textile markets weakened and plants came into production in other countries.

Sales of coated fabrics were maintained during 1958 as a result of development of improved materials for automotive and industrial uses, company says.

Capital expenditures during 1958 were $11.6 million, down $4 million from the previous year.

Consolidated sales of the company and its subsidiaries in the first quarter were slightly higher than corresponding 1958. Net income is largely unchanged.

Company said domestic demand for Terylene improved appreciably but fibre exports were at a lower level.

At Dec. 31, 1958, outstanding capitalization comprised 46,500 7½% preferred shares ($50 par) and 8,653,084 npv common shares.

Courtaulds

Courtaulds (Canada) Ltd., Cornwall, Ont., is sole Canadian manufacturer of viscose staple and fibre and textile and tire yarn. It is one of the largest makers of synthetic textile fibres in the country.

Because of general economic problems limiting growth and prosperity of the Canadian textile industry, company last year embarked on a program to broaden its manufacturing base.

Through a recently formed, wholly owned subsidiary, **Courtaulds Moulded Products of Canada Ltd.**, company is making the Larson line of fibreglass boats at its Cornwall, Ont., plant.

The boats are built under license from **Larson Boat Works, Inc.**, Little Falls, Minn.

More recently, company formed a second wholly owned subsidiary, **Courtaulds Plastics (Canada) Ltd.** which will manufacture foamed polystyrene at Cornwall. Production and marketing facilities were acquired from **Guardian Chemical & Equipment Co.**, Montreal.

The foam polystyrene is used extensively as an insulation material as well as a flotation medium in the boats manufactured by company's other subsidiary.

A little over a year ago, Courtaulds introduced Tyrex, a new high-strength yarn for tires. Success of this product, together with general recovery of the automobile and tire industries, has required full capacity operation in the tire yarn plant since late 1958, company says.

Company also manufactures a wide range of textile-type yarns designed primarily for apparel and home furnishing applications. Company notes increasing pressure from low-priced imports both on yarns and their products.

In the staple fibre field, company reports it is continuing to open new markets. For example, it recently introduced a range of high quality "Coloray" carpets which feature "locked-in" colors injected into the fibre during production.

Financial reports on the company are not published.

Consol. Textile

Consolidated Textile Mills Ltd., Montreal, is a holding company having all outstanding shares of **Consolidated Textiles Ltd.**, which makes rayon, nylon and mixed fabrics for the cutting-up, jobbing and retail trades.

Plants are at St. Hyacinthe and Joliette.

Products include lingerie fabrics, nylon and rayon fabrics for dresses, housecoats, children's wear, sportswear, men's and women's garments and allied lines.

President Morris Bornstein says installation of Unifil automatic loom winders at both mills will help retain markets against rising competition from foreign fabrics.

Company expects to "maintain and improve its prestige position in the synthetic and synthetic blend field" and "continue to show a profitable operation."

Consolidated net profit last year was $11,550 compared with $8,769 in 1957.

Outstanding capitalization Dec. 31 included $330,000 5½% general mortgage bonds, 4,124 5% $20 par preferred shares, 219,982 npv common shares.

Duplan of Can.

Duplan of Canada Ltd. are weavers, dyers, and coaters of synthetic fabrics, throwers of textured yarns and producers of metallic and Lame yarns.

Weaving and throwing operations are conducted at Montmagny, Que., by Duplan of Canada Ltd., a wholly-owned subsidiary of **The Duplan Corp.** Dyeing and finishing operations are conducted at Valleyfield, Que., by **Duplan Dyeing Co.**, a wholly-owned subsidiary of Duplan of Canada.

Sales offices are maintained at Montreal, Toronto, Winnipeg and Vancouver.

Company has expanded its manufacture of textured stretch yarns in line with increasing demand while production of metallic Lame yarns continues strong in response to style trends.

During the last three yr. company has developed its weaving program, concentrating on nylon woven fabrics for garment, drapery and industrial use. Original research and development work has resulted in production of commercially accepted silicone rubber-coated fabrics for industrial applications and a synthetic resin line of coated fabrics promoted under the label "Weather/Bar" for industrial and garment uses.

Duplan has expanded its drapery line. It continues to service highly styled fields, such as dresses and blouses, with pure silks and seasonable merchandise.

Export trade is being developed with the U.S. on specialty items. Traditional export markets in Belgium, Holland, Switzerland, South Africa, New Zealand, United Kingdom, British Honduras, British West Indies and Hong Kong are also served.

Du Pont of Canada

Du Pont of Canada Ltd., Montreal, manufactures nylon filament yarn and staple fibre, nylon monofilaments and "Orlon" acrylic staple fibre, packaging films, commercial explosives, chemicals and finishes, and engages in the import and resale of chemicals and chemical materials for use in a wide range of industries.

Related to the textile field are plants at Maitland, Ont., to produce nylon intermediates, the basic chemicals from which nylon is made; "Orlon" acrylic fibre; and hydrogen peroxide. At Kingston, Ont., a plant produces nylon filament yarns and staple and nylon monofilaments.

Sales offices are in Montreal and Toronto.

The company's products are used in the production of clothing and industrial textiles, passenger car and truck tires, brushes and sporting goods.

Sales in 1958 totaled $81,680,000 an increase of 12% over the previous year. This increase was attributed in part to new and expanded production facilities and in part to a stronger demand for most products in the second half of the year.

The gain in sales of company's textile fibres was due largely to growing acceptance of products using textured nylon yarns, although sales of tire yarns as well as other nylon and acrylic fibres enjoyed an increase proportion of the total markets available.

Company reports that markets were increasingly competitive in 1958 both for materials made by the company and products made by its customers. Morever, a growing proportion of total Canadian consumption of textiles manufactured from man-made fibres is being met with imports of fabrics and finished goods from foreign countries.

Sales of all products for the first quarter of 1959 were about 13% higher than in corresponding 1958.

Net profit of $5,235,432 for 1958 was 17% higher than $4,491,457 in the previous year. Improvement was due primarily to the increase in sales, company says. This represents earnings of 70c per common share against 60c in 1957.

As in recent years, dividends totaling 50c a share were paid on the common.

Construction expenditures amounted to $11,264,000 in 1958 and brought total investment in plants and properties to $96 million by year-end. At that date, a further $10,450,000 remained unexpended on projects under construction.

Two new plants were completed and brought into operation at Maitland during 1958, one to produce acrylic polymer (from which "Orlon" acrylic staple and tow are manufactured at the adjacent fibre plant) and the other to produce hydrogen peroxide using a new chemical process.

A major expansion of company's nylon capacity was completed, including additional facilities for spinning nylon tire yarn which will in turn release equipment to increase textile yarn capacity.

At Dec. 31, 1958, outstanding capitalization comprised 46,500 7½% cumulative preferred ($50 par) shares and 7,226,892 npv common shares.

Riverside Silk

Riverside Silk Mills Ltd., Galt, Ont., is engaged in the processing of modified continuous filament yarns and the knitting of tricot fabrics manufactured from Terylene, Nylon, Arnel and other synthetic fibres.

Company's fabrics division produces a wide range of materials catering to the dress, blouse, lingerie and shirting trades. Products are sold under the trade names of "Rivolene" and "Luxura". In 1957, company introduced production of "Vocama" made under exclusive license from a U. S. company.

Company also produces yarns for sweaters, foundation garments and men's half hose. Exclusive rights to produce "Tycora", a modified filament yarn used in sports shirts, hosiery, bathing suits, underwear, rugs and upholstery, was obtained in 1957.

Net profit for 1958 amounted to $13,241 as compared with $12,274 in 1957. Earnings per class A share before participation were 44c (41c a year previous).

Dividends on the class A stock of 25c per share were paid July 1 and Oct. 1, 1958 —the first dividends since Oct. 1, 1953. This left year-end arrears at $11 per class A share. No dividends have been paid in 1959.

Sales at $2,178,500 for 1958 were up 16% over 1957 and 70% over 1956, and are the highest since 1940.

In terms of physical volume, the fabrics division showed an increase of 11% over 1957, while in the yarns division there was an increase of 13%.

Current sales are very encouraging, says a company official, although profit margins continue to be slim.

Strengthening of the industrial engineering and cost departments and training in the use of statistical quality control methods are expected to produce beneficial results in 1959.

Outstanding capitalization at Dec. 31, 1958, consisted of $200,000 6½% first mortgage sinking fund bonds series A; 30,000 class A $2 cumulative participating shares; and 20,000 npv common shares.

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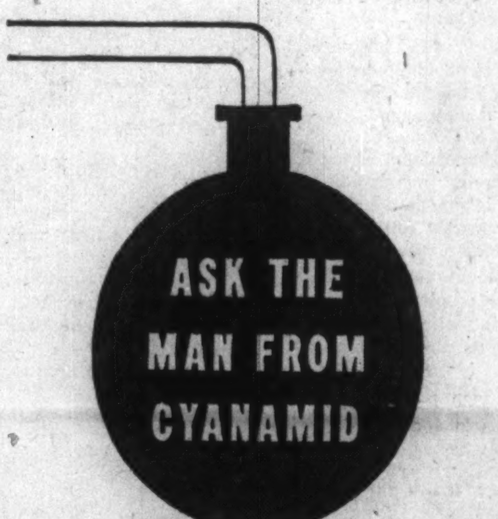

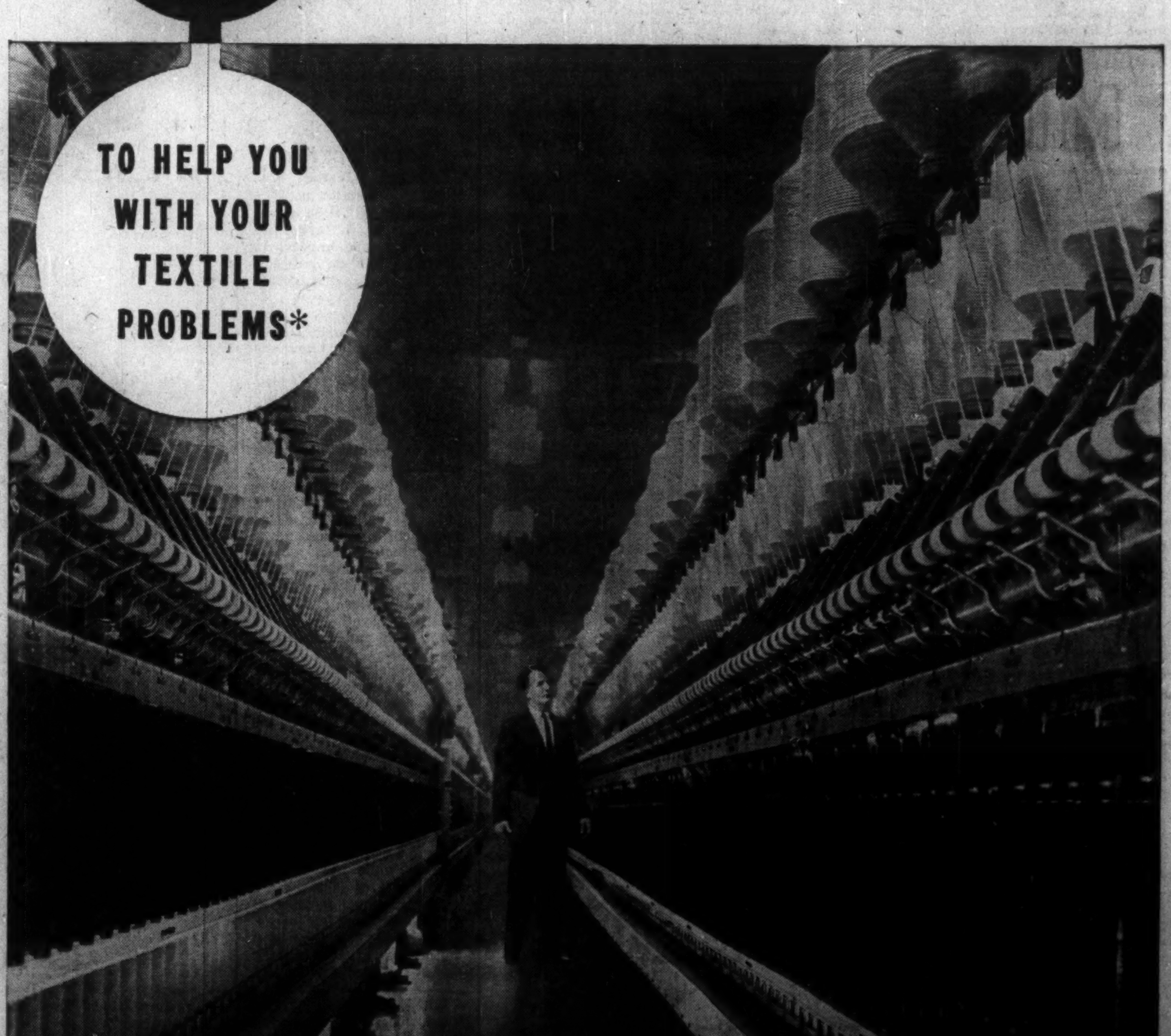

*Other "Men From Cyanamid" (pronounced: CY-ANA-MID) are specialists in plastics, textiles, mining and paper-making.

Company Reports Knit Goods

Bates & Innes

Bates & Innes Ltd., Carleton Place, Ont. manufactures woolen and knitted goods including blankets, motor rugs, tweeds, overcoatings and hand-knitted yarns. Products are distributed direct to mail order houses and the retail trade across Canada. Tweeds and overcoats are sold to clothing manufacturers.

Plant consists of two complete manufacturing units — one for blankets, the other for knitted goods and yarns—at Carleton Place.

Net loss for the year ended Dec. 31, 1958, was $77,573 compared with a net loss of $19,565 the year before.

Company reports continued sales resistance due almost entirely to imports. However, first two months of 1959 saw sales up 23% and, President R. W. Bates reported, the outlook is "encouraging".

Capital expenditures during 1958 were $9,000, down from $34,500 the year before.

Mills are running on short time to reduce inventories.

Outstanding capitalization consists of 15,250 $1 cumulative non-callable participating npv Class A shares and 30,000 npv common shares.

Biron Knitting

Biron Knitting Mills Ltd., Berthierville, Que., specializes in manufacture of children's knitted goods. This production accounts for about two thirds of its output but company also makes men's and ladies' knitted goods. Products are sold across Canada.

In 1956 a two-story addition, about 70 ft. by 50 ft. was constructed to make room for new machinery.

Last year, company says, was a fair year by industry standards but sales and production were only held to the 1957 level. Outlook for this year, company adds, is rather better and a 10% expansion figure should be reached.

At April 30, 1953, company reported $503,052 assets, of which $239,599 was inventory. Surplus totaled $75,664. No subsequent figures have been published.

Butterfly Hosiery

Butterfly Hosiery Co., Drummondville, Que., manufactures ladies' full-fashioned and seamless hosiery. Production is now almost entirely nylon.

Company is operating below capacity in its full-fashioned department because of over-produced market and low prices, says President Russell Weaver. Demand continues to expand in the seamless market and to meet this situation company has on order new knitting machines costing about $225,000. They will increase present production 175%.

Improvement in earnings is forecast as seamless production is increased, says Weaver.

Combined full-fashioned and seamless sales increased 10.9% in 1958.

Company reported net loss of $20,775 for fiscal period ended Jan. 3, 1959, against loss of $80,072 for period ended Dec. 28, 1957. No provision for depreciation was made in either year.

Outstanding capitalization consists of 296 shares of 7% cumulative, $100 par value preferred stock and 107,780 $1 par common shares.

Canadian Silk

Canadian Silk Products Corp., Montreal, manufactures through subsidiaries and associated companies women's seamless and full-fashioned hosiery from various types of yarn including nylon, rayon and lisle. Most output is women's nylon hosiery.

One subsidiary, **Orient Hosiery (Sherbrooke) Ltd.**, operates a mill at Sherbrooke, Que. Another, **Orient Hosiery (Ontario) Ltd.** formerly operated a plant at Brockville, Ont. The Brockville operations have been transferred to the Sherbrooke plant.

Consolidated net loss for six months ended Jan. 3 last was $45,471.03. For the year ended June 30, 1958, net loss was $143,885. Company's fiscal year has been changed to coincide approximately with the calendar year.

Company's recent report says most encouraging facet is the arrangement by which a seamless division has been set up at Sherbrooke, resulting in big increase in output of this type. This will help meet the heavy order backlog.

It was felt operating results would improve in the last half of 1959, when the new equipment will be operating at capacity.

Outstanding capitalization Jan. 3 included $1.2 million funded debt; 100,000 npv Class A participating preference shares; 16,875 npv Class B shares.

Chatelaine Hosiery

Chatelaine Hosiery Ltd. completed in March, 1957, renovation of its main plant at St. Johns, Que., which is now finished and shipping all the production of company's plant at Labelle, Que., and **Stanfold Knitting Ltd.**, a subsidiary.

Company consolidated its modern, full-fashioned hosiery equipment in the Princeville plant operated by Stanford Knitting.

Company was among the first Canadian firms to order and install new fine-gauge circular hosiery knitting equipment when preference developed for seamless hosiery in 1953.

It has over 100 machines in operation at its Labelle plant and is one of the largest producers of fine-needle women's seamless hosiery in Canada.

It expects to produce about 2.5 million pairs of women's nylon hosiery this year, of which two thirds will be seamless.

Company is expanding production of sweaters at its Labelle plant. These are mostly of Orlon yarn (Du Pont acrylic fibre trade mark). A fourth full-fashioned sweater machine was installed with equipment to knit bulky sweaters.

Company's sales force covers Canada from coast to coast. It sells only to the domestic market. Company reports the outlook for 1959 similar to 1958.

Celtic Knitting

Celtic Knitting Co., Montreal, and its two subsidiaries, **Globe Processing Co.** and **Nordic Hosiery Ltd.**, manufacture a wide range of men's, women's and children's hosiery. Nordic's plant is located at Granby, Que.

Celtic is a wholly-owned subsidiary of **National Hosiery Mills Ltd.**, Hamilton (see separate article in this section).

National acquired control of Celtic through an offer made in late 1955 for 27,000 outstanding Celtic shares at $27 each. It now holds all the common stock.

Circle Bar

Circle Bar Knitting Co., Kincardine, Ont., is engaged in making circular knit hosiery for men, women and children and women's full fashioned hosiery and leotards.

Products are sold throughout Canada chiefly by the company's own sales organization. Plant is located in Kincardine, Ont. The full-fashioned hosiery department was recently moved from Owen Sound to Kincardine, and the cloth division in Listowel, Ont., has been closed and the building sold.

The circular-knit hosiery department is showing excellent progress with sales increases reported for each month this year over same period in 1958, President John G. Anderson says. Increases are mostly in men's and boys' hosiery lines.

Further decline in sales is reported by the full-fashioned hosiery department, with trend in sales going to seamless. Consolidation of this division with the Kincardine operation has reduced costs, but it has stiff competition from both Canadian and imported lines.

Company had a net loss of $47,789 in year ended June 30, 1958 (latest financial statement available), compared with net profit of $29,346 in previous fiscal year. Loss was due to unexpected bankruptcy of one of company's cloth customers.

Working capital at June 30, 1958 was $395,780, up from $369,128 a year earlier.

Outstanding capitalization at June 30, 1958 consisted of 26,398 class A $1 cumulative participating non-callable shares and 26,398 npv common shares.

Gen. Products

General Products Manufacturing Corp., London, Ont., operates in widely diversified fields through the following divisions:

—**Supersilk Hosiery Mills**, London, Ont., which manufactures a wide range of full-fashioned and seamless hosiery for domestic and export trade.

—**Standard Tube & T. I. Ltd.**, Woodstock, Ont., which makes and fabricates tubing and automotive equipment.

—**Metal Fabricators Ltd.**, Tillsonburg, Ont., manufacturer of hospital equipment.

—**Mac-Craft Industries**, Sarnia, Ont., which makes molded plywood and classroom furniture.

—**Richards-Wilcox Canadian Co. Ltd.**, London, Ont., makers of builders' hardware, cranes, monorails and overhead materials handling equipment.

Consolidated net profit of $272,044 for 1958 was 48.8% higher than 1957's $182,834. Earnings were $2.72 ($1.83 in 1957) per A and B share.

Sales of seamless hosiery increased substantially in 1958, but much of this was replacement of full-fashioned style rather than increase in total sales. Additional seamless hosiery equipment was purchased for the mill.

Oustanding capitalization at Dec. 31, 1958 consisted of 75,000 npv class A common shares and 25,000 npv class B common shares.

Grand'Mere

Grand'Mère, Knitting Co., Grand'Mère, Que., manufactures knitted sweaters and skirts exclusively.

Five years ago company began discontinuing its lines of slippers, hosiery, berets and other knitted goods.

Floor space at the plant thus freed has been turned over to additional capacity in the sweater line. Since 1955 company has increased its sweater capacity constantly. This involved acquisition of new machines for knitting, dyeing and sewing.

Company has sales offices in Montreal, Toronto and Vancouver. Company is an in-stock house for staples and produces a wide range of novelties.

Privately owned, the company does not publish financial statements.

Jantzen

Jantzen of Canada Ltd., Vancouver, manufactures and markets knitted goods. A minority interest is held in company by **Jantzen Knitting Mills Inc.**, of Portland, Oregon.

Net profit of $46,136 for year ended July 31, 1958 was 47.4% lower than previous fiscal year's $87,685. Earnings per share were 77c ($1.46 in previous fiscal year) and dividends were unchanged at 40c.

Working capital at July 31, 1958 stood at $399,019 ($391,880 in 1957). Earned surplus was $427,625 ($405,489).

Authorized and issued capital at July 31, 1958 consisted of 60,000 npv common shares.

London Hosiery

Lonlon Hosiery Mills, London, Ont., manufactures lisle, wool, rayon and cotton hosiery, nylon and pure silk thread hosiery. It also operates a dyeing plant which does the company's own dyeing and handles custom dyeing for other firms.

Net loss of $16,765 for year ended March 31, 1959 compares with net profit of $3,038 (7c per class A share) in previous year. Dividends per class A share were 60c (80c in previous year) and per common share 85c (30c).

Numerous new styles have been introduced which appear to have good consumer reception and company looks for increased business on these items, says President J. A. McKeeman. Development of the new exclusive dyeing process has not been as rapid as anticipated.

Outstanding capitalization at March 31, 1959 consisted of 45,000 npv class A shares and 80,000 npv common shares.

Mercury-Chipman

Mercury - Chipman Knit Ltd., Hamilton, Ont., manufactured knit goods until it was declared bankrupt in December 1955 following a period of receivership.

Company's equipment and material was disposed of by judicial sale in April 1956, and the Hamilton plant was sold in 1957 to **Mailman Bros.** of New York for $450,000. Holders of company's first mortgage bonds were paid in full.

Company was discharged from bankruptcy in April 1959. Only remaining asset is its charter.

J. R. Moodie

J. R. Moodie Co., Hamilton, Ont., manufacturer of underwear and knitted goods suspended operations early in 1958.

President R. Roy Moodie attributed the shut-down to tight money and competition, both domestic and foreign.

The family-owned private company started manufacturing in 1880. Its equipment has been sold and inventory of merchandise liquidated.

Financial statements were not made available for publication.

Monarch Knit.

Monarch Knitting Co., Toronto, manufactures men's half-hose and anklets, other hosiery, and men's, women's and children's underwear and outerwear. Company also produces hand-knitting and machine-knitting cotton yarns.

Plants are at Dunnville, Ajax and St. Catharines, Ont. Products are marketed directly and through agents to retailers and wholesalers across Canada.

In 1958 Monarch participated with **Security Mills Inc.**, of Newton, Mass., in formation of **Security Mills of Canada**, which produces and sells knitted cloth for the Canadian market.

Under license agreement with **Coopers Inc.**, Wisconsin, company makes and distributes the "Jockey" brand of underwear.

Net profit of $151,051 for 1958 was 48.4% higher than 1957's $101,815. Sales were somewhat higher, the company reports.

Prospects for 1959 are reasonably favorable and Monarch hopes to maintain its trend of progress in earnings shown since 1956.

Outstanding capital at Dec. 31, 1958, consisted of 4,107 4½% cumulative redeemable sinking fund preference shares, $100 par, and 136,100 npv common shares.

Nat. Hosiery

National Hosiery Mills Ltd., Hamilton, produces ladies' hosiery at Hamilton, Ont., and Richmond, Que.

In 1956 company acquired outstanding stock of **Celtic Knitting Co.** at $27 a share. Celtic, now a wholly-owned subsidiary, in turn owns all outstanding shares of **Nordic Hosiery Ltd.** and **Globe Processing Ltd.**

National Hosiery and Nordic Hosiery jointly guaranteed an issue of $500,000 4½% first mortgage bonds of Celtic Knitting. Bonds are repayable $80,000 yearly until Jan. 30, 1961, with final payment of $100,000 due Jan. 30, 1962.

In 1959 National issued $500,000 5½% First Mortgage Serial Bonds due $165,000 on March 1, 1963 and

(Continued on page 32)

Montrose Worsted Mills INC.

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Company Reports Wool

Can. Co-op. Wool Growers

Canadian Co-operative Wool Growers Ltd., Toronto, is a grower-owned organization whose chief business is the handling and marketing of Canadian fleece-wools. Company has central grading warehouses at Weston and Carleton Place, Ont., Lennoxville, Que., Regina, Sask., and Edmonton, Alta., as well as branches, collecting stations and associations in every province except Newfoundland.

Company sustained a net loss of $10,699 for year ended Feb. 28, 1959, compared with a net profit of $6,803 for the previous fiscal year. Loss per share was 79c, as against previous fiscal year's earnings of 50c. No dividends were paid in either year.

Consignments by Canadian sheepmen in 1958 were 10% greater than in 1957, but due to market conditions, sales were slower.

Outstanding capitalization at Feb. 28, 1959, consisted of 13,623 common shares, par $10.

Dom. Woollens & Worsteds

Dominion Woollens & Worsteds Ltd., Hespeler, Ont., produced worsteds and woolen cloth and yarns.

Company sold its products under the trade names of Forbes Fine Worsteds, Auburn Woollens, Bonnerworth Yarns and Bouquet Hand Knitting Yarns.

Net loss of $575,710 for 1957 was four times 1956's loss of $143,843. Loss per share was $2.13 (53c in 1956). No dividends were paid.

On Jan. 15, 1958, a receiver and manager were appointed.

On July 31, 1958, **Silknit Ltd.** offered to purchase assets of company and its subsidiaries for $380,000. Offer was accepted by **Royal Trust Co.** on behalf of the first mortgage bondholders. Proceeds were distributed among the holders of the $675,000 6% first mortgage which was outstanding in the amount of $675,000, at Dec. 31, 1957. There was nothing left for the remaining creditors or shareholders.

Outstanding capitalization at Dec. 31, 1957, consisted of $675,000, 6% first mortgage bonds due 1963-64; $1,049,300, 5% redeemable sinking fund debentures due 1964; and 270,472 npv common shares. Deficit stood at $1,169,915.

Wool Cloth Market

	Shipments* less Exports	Imports	Apparent** Canadian Market	% Canadian
	——million linear yards——			
1935-39 average	16.3	11.6	27.8	59
1945-49 average	27.9	13.0	40.9	68
1950	27.9	13.1	41.0	68
1951	24.1	12.5	36.6	66
1952	18.8	12.5	31.3	60
1953	21.3	16.2	37.5	57
1954	17.1	12.2	29.3	58
1955	22.5	13.4	35.9	63
1956	20.3	17.7	40.0	53
1957	18.8	19.7	38.5	49
1958	17.1	16.1	33.2	51

*Exports currently about 10,000 yd. a year.
**Apparent market = shipments + imports — exports.

Paton Mfg.

Paton Manufacturing Co., Montreal, is controlled by interests associated with **Dominion Textile Co.**

It manufactures woolen, worsted and blended fabrics for men's and women's suitings, top coatings, overcoatings, uniforms and other finished fabrics.

It dyes and finishes cloth.

A selling office is maintained in Montreal as well as agencies in Toronto and Winnipeg.

Paton owns a woolen and worsted mill and complete carbonizing, dyeing and finishing plant at Sherbrooke, Que.

The mill is equipped with 126 looms and 7,400 spindles and the plant is equipped to carry on all operations for the processing of raw material into finished products.

For year ended April 30, company reported net profit of $150,110 against a loss of $145,161 in preceding year. Depreciation write-off included $59,795 representing balance of maximum allowable rate for the last year and which was not taken.

During last fiscal period $58,176 was spent on plant and equipment. No extraordinary capital expenditures are contemplated.

According to President F. R. Daniels, unfavorable market conditions and fluctuations in wool prices during the year precluded accurate estimates of earnings.

Thus directors did not feel justified in declaring interim dividends on common stock.

A year-end dividend of 40c was paid June 15.

Capitalization consists of an authorized 21,198 7% cumulative $20 par preferred shares of which 19,829 are outstanding, and authorized 100,000 npv common shares of which 50,000 are outstanding.

Funded debt now stands at $565,000 and consists of 3½% sinking fund Series A bonds, due Sept. 1, 1966.

Stanfield's Ltd.

Stanfield's Ltd., Truro, N.S., manufactures high-grade woolen and rayon underwear and hand-knitting yarns.

The original business was established in 1856 by Charles E. Stanfield. In 1896 it was purchased by two sons, Frank and John Stanfield, and name was changed to Truro Knitting Mills. In 1907 the present name was adopted.

Net profit for 1958 was $2 1,033 compared with $276,302 in the preceding year. Working capital was $3,097,496 against $2,927,850 at Dec. 31, 1957.

Outstanding capitalization consists of 60,000 npv Class A shares and 100,000 npv Class B shares. A shares are entitled to a preferential dividend of 60c per annum.

Warwick Woollen Mills

Warwick Woollen Mills Co., Warwick, Que., manufactures woolen fabrics for men's, women's and children's clothing. It also produces fabrics used in the pulp and paper industry.

No financial report has been available since 1947. Outstanding capitalization consists of 3,000 npv common shares; 1,500 $100 par Class A preferred shares and 1,500 npv Class B preferred shares.

At Aug. 31, 1947, consolidated balance sheet showed total assets $2,044.057.

Wool Combing

Wool Combing Corp. of Canada, Toronto, discontinued its processing of wool and synthetic fibres and shut down its Acton mill in July 1957. It has also ceased production of neutral wool grease.

Company owns **Model Dye Works (Canada) Ltd.**, Huntingdon, Que., which dyes wool tops.

Land, buildings, plant and machinery at Acton and the land and buildings at Galt were disposed of, resulting in a profit of $71,467.

Company sold certain of its equipment from its former Acton, Ont. plant to **Parkside Combing Co.** of Bradford, England, receiving in exchange a $53,300 interest in that firm. Wool Combing Corp. also made a $8,242 (£3,000) loan to Parkside.

Parkside sustained a net loss in 1958 due to pre-operating expenses, but profitable results are anticipated once firm gets into operation.

Wool Combing reported a consolidated net profit of $54,030 for 1958, compared with a net loss of $14,818 for 1957. Earnings per share were $1.04 and dividends paid amounted to 50c a share (10c a year earlier).

Profit of subsidiary, **Model Dye Works (Canada) Ltd.** (acquired in the fall of 1957), is consolidated with parent's.

Authorized capital at Dec. 31, 1958, consisted of 100,000 shares, par $5, of which 52,000 were outstanding.

An option is outstanding on 8,000 shares at prices ranging from $6 to $9 per share. It expires Oct. 28, 1962.

Knit Goods

(CONTINUED FROM P. 31)

1964 and $170,000 on March 1, 1965.

Net profit of $202,196 for 1958 was 5.9% lower than 1957's $214,839. Earnings per class A share were $14.94 ($15.41 in 1957) and per class B share 56c (60c). Dividends of 20c per Class A and 32c per class B share were unchanged from 1957.

Benefits anticipated since acquisition of Celtic Knitting and subsidiaries are being realized, President E. B. Eastburn reports.

Outstanding capitalization at Dec. 31, 1958 consisted of 13,533 npv class A shares and 355,404 npv class B shares.

N. S. Textiles

Nova Scotia Textiles Ltd. operates a modern plant at Windsor, N.S., where it manufactures a wide range of knitted underwear in cotton, wool and blended fabrics for men, women and children.

Company sells across Canada under the trademarks "Windsor Wear" for men and "Evangeline" for women.

Recently company made a substantial investment in modernization of its carding and spinning departments. A new merchandising program has also been instituted involving heavier advertising, modernization of packaging, trademarks, etc. This program has met with an excellent reception throughout the trade, company says.

Financial and operating details are not published.

Penmans Ltd.

Penmans Ltd., Paris, Ont., manufactures many kinds of knitted goods, including summer and winter underwear for adults and children; hosiery and sports socks for adults and children; work socks and mitts for men and boys; winterweight hose for women; sweaters for men and boys; T-shirts for men and boys, misses, girls and children; and pulp and paper makers' felts.

Mills are at Paris, Brantford, Waterford and London, Ont., and Coaticook and St. Hyacinthe, Que.

A wholly owned subsidiary, **Watson Manufacturing Co.**, operates the Brantford mill.

Net profit for 1958 was $687,283 ($3.22 a share) against $671,778 ($3.14 a share) in 1957. Regular quarterly dividends of $6 were paid on the preferred shares. Quarterly dividends of 45c were paid on the common shares, a total of $1.80 against $1.60 in 1957.

Sales for the first six months of 1958 were rather disappointing, according to President Geo. W. Grier, but thereafter they improved, aided by seasonable weather.

Wool values declined slightly but the price levels of other fabrics used in company's products were about the same.

Net working capital reached $7,635,619, an increase of $442,914.

Capital expenditures during 1958 amounted to $88,690 and funded debt was reduced by $45,000.

Outstanding capitalization at Dec. 31, 1958, consisted of $964,000 3¼% first mortgage Series A bonds due Oct. 1, 1966; 10,750 6% cumulative preferred shares, $100 par; and 193,554 npv common shares.

Regent Knitting

Regent Knitting Mills Ltd., St. Jerome, Que., manufactures heavy woolen and worsted goods, fancy knitting goods, and is a large Cana-

(Continued on page 33)

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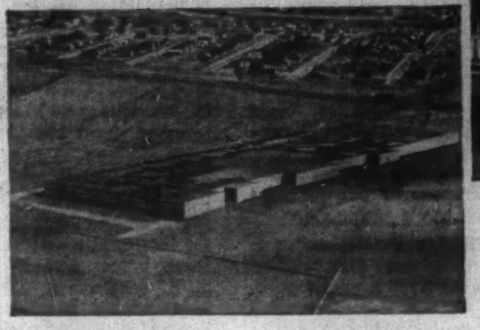

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G. B. GORDON, President,
Dominion Textile Co. Ltd.,
at the opening of the Salaberry plant.

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Mr. A. ("Sparks") Holstead, President of CKWX Radio Limited, announces the appointment of Mr. William A. Speers as General Manager of radio station CKWX, Vancouver.

Mr. Speers brings to his new position many years of executive experience in Canadian radio. Until coming to Vancouver he was manager of radio station CKRC, Winnipeg, having joined this station in 1948. Mr. Speers has been manager of radio station CKRM, Regina, until that time. Previously, he was associated with CKOC, Hamilton, as assistant Manager.

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Company Reports Knit Goods

(CONTINUED FROM P. 32)

dian manufacturer of piece goods including Orlons, nylons, tricot.

Grover Mills Ltd., Montreal, Que., acquired control of the company in 1924 and most of the remaining stock in 1951 and 1952. Financial statements are not published.

A Grover spokesman reported that Regent Mills had a "fair year" in 1958.

Sheer Silk

Sheer Silk Hosiery Mills Ltd., Sherbrooke, manufactures seamless and full-fashioned ladies' nylon hose marketed under trade names "Sheer-Tex" and "Sheer-Magic."

Knitting operations are at company's plant in Sussex, N.B. Dyeing and finishing is at Sherbrooke.

Seamless output has risen rapidly. New machinery has boosted capacity to 52,000 doz. pr. per year. Further expansion over the next three months or so will raise capacity to 82,000 doz. pr.

Company reports a loss of $4,000 last year compared with a loss of $9,000 the year before. About half the allowable depreciation was taken in both years.

Prospects this year are "somewhat brighter."

Outstanding capitalization includes 12,516 6% cumulative preferred shares, $25 par; 392 npv common shares.

Silknit Ltd.

Silknit Ltd., Toronto, manufactures directly and through subsidiaries, broadwoven and knitted fabrics of cotton, wool, rayon and nylon for sale in the piece, and diversified lines of underwear, lingerie, sleepwear, swim suits, housecoats, etc.

Products are marketed under Sulette, Formula, Pacemaker, Catalina and other labels. About 99% of output of company and its subsidiaries is sold in the domestic market to 1,500 accounts including chain stores, specialty shops, department stores, wholesale jobbers and manufacturers across Canada. A small amount is exported to British West Indies.

Main plant consists of three adjoining buildings in Toronto. A sewing plant (presently closed) is owned in Wiarton, Ont., and company recently acquired from **Dominion Woollens & Worsteds Ltd.** a plant in Hespeler, Ont., being used for weaving, dyeing and finishing of woollen and worsted fabrics.

Wholly owned Canadian subsidiaries include **Summit Dyeing Co.**, Toronto, which dyes all goods of the knitting plant and also does custom dyeing; **Alamac Knitting Mills** and **Aberley Knitting Mills Ltd.**, Toronto; **Cosmos Underwear Co.**, makers of lingerie at Montreal, La Tuque and Dorion, Que.; **Kismet Co.**, manufacturers of underwear, sportswear and outerwear at Waterloo, Que.; and **Slingsby Manufacturing Co.**, which formerly operated a textile plant at Brantford, Ont.

Other subsidiary companies operate in Sydney, Australia, and Sutton-in-Ashfield, England.

Consolidated net profit of $258,938 for 1958 was 61.3% higher than 1957's $160,529. Earnings per preferred share were $30.64 ($18.49 in 1957) and per common share $3.46 ($2.23). Dividends in each year were $2 per preferred share and $1 per common share.

Earnings include dividends from English and Australian subsidiaries of $32,447 in 1958 and $31,788 in 1957.

Sales were increased in some of the more profitable lines during 1958 and new products made an important contribution to earnings, said President M. H. Epstein.

Consolidated net sales for first four months this year were slightly below 1958 for those companies included in 1958 accounts. However, to these figures should be added those of a recently acquired subsidiary, which would result in a 15% sales increase with corresponding increase in profits.

Outstanding capitalization at Dec. 31, 1958 consisted of $350,000 4½% first mortgage sinking fund bonds maturing Aug. 15, 1967; 8,452 5% redeemable preferred shares, $40 par; and 70,000 common shares, $5 par.

Wesley Mason

Wesley Mason Mills Ltd., Toronto, manufactures men's, women's and children's hosiery at its Herbert Hosiery mills division plant in Toronto.

Company is controlled by **Atlantic Distributing Co.**, an affiliate of **N. M. Davis Corp.**, Toronto, which purchased all outstanding shares in 1949.

Silk mill division in Quebec was closed down in 1954. Land and buildings at Drummondville were sold for $125,000. Plant at Cap de la Madeleine sold to **Tooke Bros. Ltd.** for $335,000 ($50,000 cash and $300,000 first mortgage, due $30,000 annually, 1956-65), and machinery for $90,000. Proceeds from disposal being applied to redemption of outstanding first mortgage bonds.

Consolidated net loss of $10,052 for 1957 (latest figures available) compares with 1956's loss of $3,457.

Outstanding funded debt consists of $159,000 4½% first mortgage and collateral trust sinking fund bonds (reduced from $222,000 at Dec. 31, 1957).

Outstanding capital stock at Dec. 31, 1957 comprised 6,803 5½% cumulative redeemable sinking fund preferred shares, $100 par; and 50,000 npv common shares.

York Knitting

York Knitting Mills Ltd., Woodstock, Ont., is engaged in the spinning of cotton and worsted yarns and in the manufacture of men's, women's and children's hosiery, underwear, sportswear, sleepwear and nylon lingerie.

Company owns five plants, of which one is in Toronto, one in Hamilton and three in Woodstock. Operations of Hamilton plant are being merged with the Woodstock operations, and former plant is to be sold for $250,000. Wholly owned subsidiaries are **Kroy Unshrinkable Wools Ltd.**, Toronto, and **Kroy Inc.** at Lowell, Mass.

A 5% stock interest is held in **Taylor-Woods Ltd.**, manufacturing ladies' nylon hosiery at Enniskillen, Northern Ireland. York Knitting previously held 59% controlling interest in this company but sold most of its holdings in 1954.

Company had a consolidated net loss of $192,647 in 1958, compared with a net profit of $69,944 for 1957. No dividends were paid.

Operations were adversely affected by the business recession, and losses were inflated by costs of consolidation of the Hamilton operation at Woodstock, said President J. D. Woods. Sales volume is expected to improve in 1959.

Outstanding capitalization at Dec. 31, 1958 consisted of $1,950,000 serial and sinking fund bonds; 329,512 npv 40c cumulative class A shares; and 700,000 npv class B shares.

Cotton Goods

(CONTINUED FROM P. 29)

return to Hamilton Cotton, the president says.

After capital expenditures of $310,334, net working capital increased by $127,252 to a year-end total of $1,977,439.

Outstanding capitalization at Dec. 28, 1958, consisted of $2 million 6% first mortgage sinking fund bonds due April 1, 1972; 4,770 5% cumulative redeemable sinking fund preferred shares, and 80,000 npv common shares.

Montreal Cottons

Montreal Cottons Ltd. is a wholly owned subsidiary of **Dominion Textile Co.**, operating several plants at Valleyfield, Que., engaged in the manufacture of yarns, drills and twills, broadcloths, dobby and jacquard drapery and corset fabric and various other types of plain and dobby fabrics.

A converting plant equipped to bleach, dye and finish these fabrics is also part of the operation.

The company has constructed a new spinning mill at Valleyfield, known as the Salaberry Mill, at a cost of about $6 million. The mills now contain 151,000 spindles and 1,784 looms.

The complete cycle of manufacturing operations from raw cotton to finished cloth is carried on in these mills, as well as production of cotton yarn for sale to the trade. The parent company acts as selling agent for all lines of the subsidiary's products.

Financial results are consolidated with those of the parent company.

Robinson Cotton

Robinson Cotton Mills Ltd., Toronto, spins, weaves and processes cotton piece goods. Process operations include bleaching, dyeing, napping, sanforizing and mercerizing with a capacity in excess of 1.2 million yards weekly.

Company's mills occupy an 115-acre site in Woodbridge, Ont. Sales offices are maintained in Dartmouth, Montreal, Toronto, Winnipeg, Edmonton and Vancouver.

A wholly owned subsidiary, **Robinson Moulded Products Ltd.**, manufactures blown polyvinyl foams in both rigid and flexible grades for use in insulation, container, transportation and shock absorber purposes, together with fishing floats and "Aer-O-Buoy" for use in life boats and rafts.

In 1957, company paid $103,000 to acquire all outstanding shares of **Robinson Collo Canada Ltd.**, not previously owned, and changed its name to **Robinson Foams Ltd.** This subsidiary manufactures polyether and urethane foams for cushioning, interlining, rug underlay, packaging, household goods, toys, etc.

Consolidated net operating profit for the year ended Dec. 21, 1958, was $75,349 compared with $204,095 for the previous year.

Operations of the plastic subsidiaries were satisfactory and resulted in a net profit of $75,357, said Chairman W. W. Robinson.

Parent company, however, had a loss of $148,403, which through tax adjustments was reduced to $144,386.

Consolidated net loss for 1958 was $69,029 compared with a net profit of $68,072 in 1957.

At present there is no intention to pay dividends or redeem preferred stock, but should working capital be increased to over $1 million during the first half year, consideration will be given to further redemption of preferred stock, company says.

Negotiations are under way which company trusts will result in the resumption of an annual return on shareholders investment.

Outstanding capitalization at June 30, 1959, consisted of $150,000 3½% first mortgage serial bonds due 1960-61; 193,685 3% preferred shares, $5 par; and 150,000 npv common shares.

Wabasso Cotton

Wabasso Cotton Co., Trois-Rivières, Que., is the operating subsidiary of **Woods Manufacturing Co.**, Montreal. Company and its subsidiaries operate four mills with a total capacity of 1,765 looms and 107,324 spindles. These mills are at Trois-Rivières, Grand'Mere and Shawinigan Falls.

Through a reorganization carried out by Woods Manufacturing, effective Jan. 1, 1958, all the textile operations of Woods Manufacturing were transferred to Wabasso, thus consolidating them under one management.

Through this reorganization Wabasso acquired the assets of **Empire Cotton Division**, Welland, Ont., the assets of **Woods-Wabasso Sales Ltd.** and the assets of a new company, **Woods Bag & Canvas Co.**

Assets of all these former subsidiaries of Woods Manufacturing were sold to Wabasso together with those of the parent company, with the exception of its shares in Wabasso itself.

Wabasso Cotton Co. and subsidiaries manufacture cotton yarns and fine cotton goods, including colored and white fabrics; lawns, muslins, cambrics, shirtings; artificial silk products; drills, twills, denims and industrial fabrics; textile bags, canvas and a complete line of camping equipment.

Woods Bag & Canvas mills are located at Toronto, Winnipeg, Calgary and Ogdensburg, N.Y.

Majority control of Wabasso was acquired by Woods in July, 1955, through an offer to shareholders to purchase 50% of the shares held by each shareholder at $21 per share. Through this offer, and supplementary offers at $21 per share, Woods now owns over 99% of outstanding shares of Wabasso.

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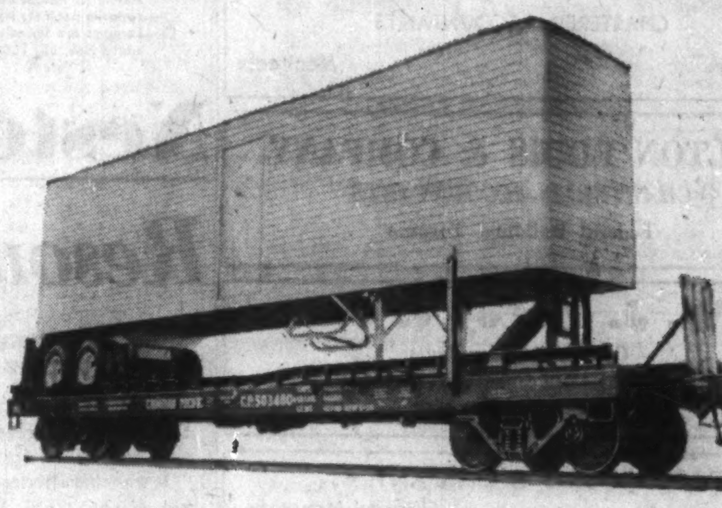

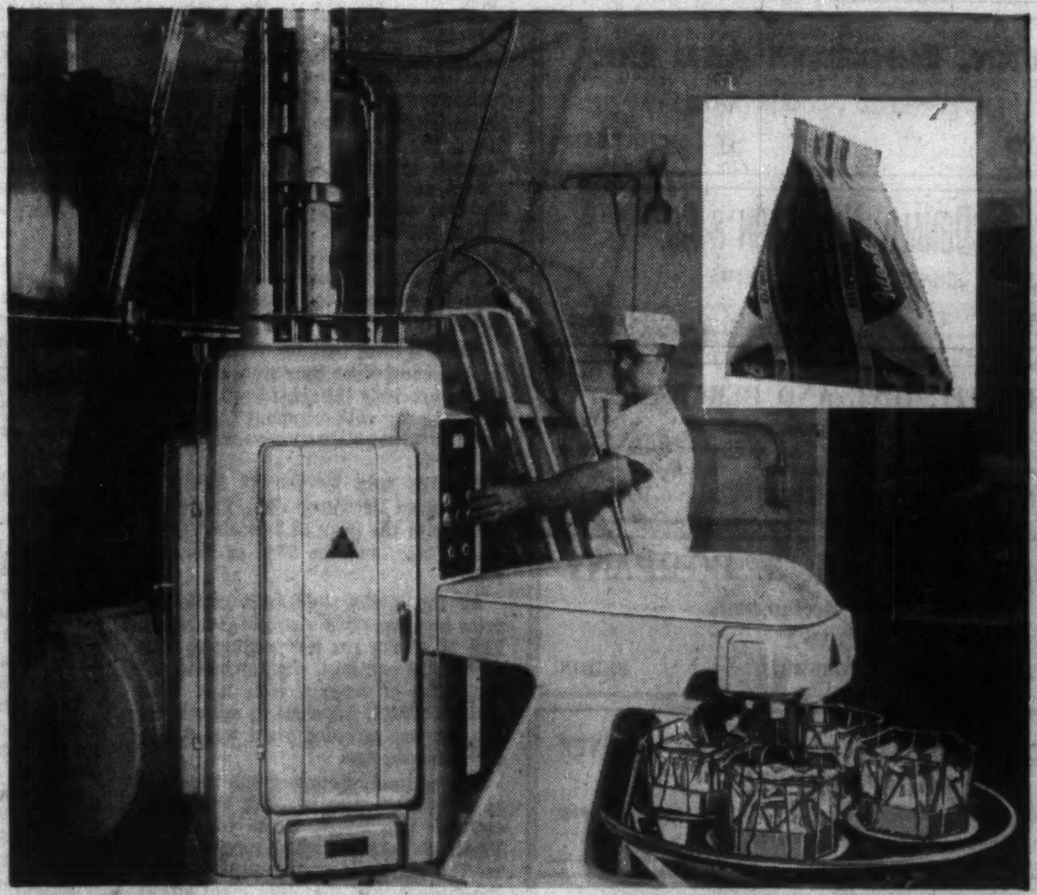

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GROWTH COMPANIES											
Aluminium Ltd.	33	16.7	25-50	32	51	0.74	0.08 (3)	0.70	44.6	2.12	I
Atlas Steels	26	6.2	16-50	62	92	2.04	1.62 (6)	1.00	12.7	3.85	M
Canada Cement	33	4.5	24-55	37	67	2.60	...	1.00	12.7	3.03	M
Canadian Hydrocarbons	11½	8.6	5-15	130	30	0.35	...	nil	32.8	...	S
Dom. Foundries & Steel	48⅛	6.0	29-59	66	23	3.12	...	1.20	15.4	2.49	M
Dominion Stores	66	4.4	50-98	32	48	4.18	...	1.25	15.8	1.89	M
Great Lakes Paper	41	15.6	27-56	52	37	1.72	0.23 (3)	1.60	23.8	3.90	M
Howard Smith Paper Mills	41½	8.8	24-60	73	45	3.09	...	1.20	13.4	2.89	M
Industrial Acceptance	37¼	6.7	24-49	55	31	3.59	0.82 (3)	1.60	10.4	4.29	M
MacMillan & Bloedel B	41¼	9.5	24-58	72	41	1.53	1.23 (6)	1.20	27.0	2.91	M
Moore Corp.	38¼	5.5	23-38	66	—1	1.53	...	0.80	24.9	2.01	M
Page-Hersey Tubes	29⅞	6.9	26-45	15	51	1.60	...	0.90	18.7	3.01	M
Powell River	40½	14.7	29-68	40	68	1.81	...	1.50	22.4	3.70	I
Simpsons Ltd.	35	19.4	20-49	75	40	1.53	...	0.60	22.9	1.71	M
Steel Co. of Canada	80½	8.3	40-90	101	12	3.79	...	1.90	21.2	2.36	I
Zeller's Ltd.	36½	9.7	26-42	40	15	2.24	...	1.20	16.3	3.29	M
NATURAL RESOURCE COMPANIES											
Asbestos Corp.	29½	8.5	28-64	5	117	2.29	...	1.75	12.9	5.93	I
British American Oil	37	20.0	30-65	23	76	1.00	...	1.00	37.0	2.70	I
Canadian Pacific Railway	28⅛	26.7	19-47	48	67	2.10	...	1.50	13.4	5.33	M
Falconbridge Nickel Mines	26	6.5	22-50	18	92	1.88	...	1.20	13.8	4.61	M
Hollinger Consolidated	31	16.4	20-43	55	39	0.50	...	0.48	62.0	1.55	S
Home Oil B	14⅝	*	11-30	33	105	d0.50	...	nil	...	...	S
Imperial Oil	40½	13.6	38-70	7	73	1.61	0.43 (3)	1.20	25.1	2.96	I
International Nickel	92¾	10.7	70-125	32	35	2.71	1.16 (3)	2.60	34.2	2.80	I
Noranda Mines	50¾	11.4	34-70	49	38	2.10	...	2.00	24.2	3.94	M
Pacific Petroleums	14¼	*	14-30	1	110	d0.59	...	nil	...	...	S

(1) Figures indicate, at current growth rate, number of years in which value of equity behind common stock should double. Index of growth is not as significant in valuation of natural resource companies as their holdings of resources.

(2) UV (Under-Valuation) and OV (Over-Valuation) levels are prices at which the particular stock is adjudged as underestimating or overestimating its rate of long-term growth. See "How to Read the Charts" on opposite page for full explanation of these ratings.

(3) Earnings are for calendar year 1958 except for: Canada Cement (year ended Nov. 30, 1958), Dominion Stores (March 21, 1959), MacMillan & Bloedel (Sept. 30, 1958), Simpsons Ltd. (Jan. 7, 1959), Zeller's (Jan. 31, 1959), Pacific Petroleums (Feb. 28, 1959).

(4) Based on current rate or payments in 1958.

(5) I, M, S, equal Investments, Medium and Speculative quality, respectively. Factors of importance in determining the investment risk are the nature of capitalization (debt, preferred and common ratios), continuity of earnings and dividend, relative size of the firm in its industry, current financial ratios, extent of activity in shares, and its investment and financial sponsorship.

* More than 40 years. ■ U. S. currency. d Deficit.

Nestor's Stocks

Resource Group Falls Behind

By RODNEY TOUCHE

UPWARD CLIMB of the market since late 1957 has been maintained through the first half of this year. But there was some reaction in the second quarter.

It was characterized largely by churning action, lower volumes and more careful valuation by investors.

The absence of broad advance is evident in the market indices. Industrial stocks reached a 1959 high in early March and then slid down steadily until the end of May. Recovery of some industrial groups in June was strong enough to take the Toronto industrials' index fractionally above its earlier peak by the end of the month. The Montreal index did not recover sufficiently to set a new high until after the second quarter closed.

Oils and base metals have been excluded from the market climb. Both indices on the Toronto Stock Exchange are now lower than they were at the end of 1952. Base metals showed some strength in the first quarter of this year but have sagged sharply since, reaching a 1959 low on June 25. The oil index reached its low one day earlier.

In this climate, Nestor's broadly-representative group of 26 Selected Growth Stocks shows a slight drop of 1.1% since March 31. A gain of 1.9% by the 16 "growth company" stocks is offset by a 5.9% drop by the group of 10 natural resource company stocks.

The, performance of the entire 26 stocks thus reverses the upward trend that has been maintained each quarter since the market began its climb at the end of 1957.

And the level that the Nestor stocks have reached since they were chosen is almost precisely the same as six months ago. The "growth company" group is up 110.8%; the natural resources group up 19.9%.

Average gain by the 26 stocks is 75.9% since December 1952. This compares with the peak 84.2 reached three months ago, and the 76% of Dec. 31, 1958.

As the Nestor selections move up, price earnings ratios rise and yields fall. The 26 stocks are now selling at 20.3 times 1958 earnings, slightly below the peak 20.8 of three months ago. The yield is 2.82%, the same as six months ago, Lowest recorded yield was 2.75% three months ago.

The natural resource group is selling at 26.4 times earnings, but the group includes two issues, **Home Oil B** and **Pacific Petroleums,** which reported losses. The same two pay no dividend, but the dividends of the other eight stocks are high enough to bring the group's average yield to 2.98%.

The 16 "growth company" stocks are selling at 17.8 times last year's earnings. Yield is 2.72%. All companies reported profits but one, **Canadian Hydrocarbons,** is paying no dividend.

In relation to their under-valuation levels, **Page-Hersey Tubes,** at $29⅞, was the lowest-priced stock in the "growth" group. It advanced a further 10% in the first week of the current quarter, however. In the natural resource group, Pacific Pete (1%), **Asbestos Corp.** (5%) and **Imperial Oil** (7%) are closest to their low value marks.

Moore Corp., split 3-for-1 last quarter, is the highest-priced stock in relation to its over-valuation level. It has moved 5.3% above it. **Atlas Steels** (92%) and **Canada Cement** (67%) have the most room to rise to reach over-valuation points. **Powell River's** position is obscured by its proposed merger with **MacMillan & Bloedel.**

In the natural resource group, the stocks that have furthest to climb to reach over-valuation include **Falconbridge Nickel** (92) and Home Oil B (105%), in addition to Asbestos Corp. (117%) and Pacific Pete (110%).

The outlook for the 26 stocks is as varied as are the selections themselves. While the major industrial groups, retailing, pulp and paper and steel production, are sharing the general improvement in economic conditions, most of the natural resource companies are suffering from unused capacity and low prices.

Nestor's three merchandising securities, **Dominion Stores, Simpsons Ltd.** and **Zeller's,** are undoubtedly heading for further gains in sales this year, although the pressure for increasing costs seems likely to prevent corresponding increases in profits.

The higher volume of consumer spending is also reflected in first quarter profit gains by **Industrial Acceptance Corp.**

In the newsprint field, producers are looking for a modest improvement in the second half, sufficient to see an overall profit gain for the year. Output in May confirmed the trend to higher levels than a year ago, although shipments in the first five months were only slightly up. Profits in the industry are particularly sensitive to changes in the currency exchange rate.

Gains in profits this year by the primary steel producers, **Steel Co. of Canada** and **Dominion Foundries & Steel,** are widely forecast as a result of the high operating rates and backlog of orders at the end of the first half.

The fourth quarter is less easily predicted, however, and the level of business then and the extent of foreign competition will decide whether the profit increase is substantial or moderate.

Among natural resource companies, increased earnings compared with 1958 are expected from a number of producers.

Improved prices for nickel and, to some extent, copper, are helping **Falconbridge, Noranda** and **International Nickel. Hollinger** is benefitting from increased ore shipments to the buoyant steel industry.

In the oil group, both Imperial and **British American** have reported stepped-up output compared with last year. First half earnings of B-A increased approximately 10%, the company stated recently. Price wars within the industry, however, are depressing profits on refined products.

Both companies will be in an improved position when Ottawa's decisions are made known on gas exports. Uncertainty has brought most pipeline projects to a standstill — affecting also Nestor's pipe producer, Page-Hersey Tubes (**FP,** July 18).

Their growth record:

	MARKET PRICE June 30/59 $	MARKET PRICE Mar. 31/59 $	MARKET PRICE June 30/58 $	MARKET PRICE Dec. 31/52 $	PERCENTAGE CHANGE Mar. 31/59 – June 30/59 %	PERCENTAGE CHANGE June 30/58 – June 30/59 %	PERCENTAGE CHANGE Dec. 31/52 – June 30/59 %
GROWTH COMPANIES							
Aluminium Ltd.	33	27¾	25½	16.79	+18.9	+29.4	+96.5
Atlas Steels	26	26½	19	20¼	—1.9	+36.8	+28.4
Canada Cement	33	33⅜	31½	18⅝	—1.1	+4.8	+77.2
Canadian Hydrocarbons	11½	7⅞	8	*	+46.0	+43.7	*
Dom. Foundries & Steel	48⅛	45¾	29⅞	*	+5.2	+61.1	*
Dominion Stores	66	89½	64¾	14¼	—26.2	+1.9	+363.2
Great Lakes Paper	41	40¼	29	*	+1.9	+41.4	*
Howard Smith Paper M.	41½	43	31½	17½	—3.5	+31.7	+137.1
Industrial Acceptance	37¼	37¾	33¾	15	—1.3	+10.4	+148.3
MacMillan & Bloedel B	41¼	42	29	17¾	—1.8	+42.2	+132.4
Moore Corp.	38¼	35¼	23¾	*	+8.5	+61.0	*
Page-Hersey Tubes	29⅞	33¼	29½	*	—10.1	+1.3	*
Powell River	40½	40	32½	23½	+1.2	+24.6	+72.3
Simpsons Ltd.	35	37⅛	23⅜	11⅞	—5.7	+49.7	+194.7
Steel Co. of Canada	80½	75¼	59⅝	*	+7.0	+35.0	*
Zeller's Ltd.	36½	39	31	18¾	—6.4	+17.7	+94.7
NATURAL RESOURCE COMPANIES							
Asbestos Corp.	29½	30½	28½	25½	—3.3	+3.5	+15.7
British American Oil	37	39¾	41	20⅝	—6.9	—9.7	+79.4
Canadian Pacific Rwy.	28⅛	29¾	26⅞	32¼	—5.5	+4.6	—12.8
Falconbridge Nickel M.	26	28¼	24½	22½	—8.0	+6.1	+15.5
Hollinger Consolidated	31	34⅞	24⅛	15½	—11.1	+28.5	+100.0
Home Oil B	14⅝	18⅛	19½	*	—19.3	—25.0	*
Imperial Oil	40½	44½	44½	35¾	—9.0	—9.0	+13.3
International Nickel	92¾	88¾	75⅞	*	+4.5	+22.2	*
Noranda Mines	50¾	52¼	42½	37½	+2.9	+19.4	+35.3
Pacific Petroleums	14¼	14¾	17⅞	12	—3.4	—20.3	+18.7

Note: Price adjusted for stock splits where applicable.
*Not then selected.

Performance:

How They've Fared

Up 75.9% Since They Were Chosen

Dec. 31/52 - June 30/59

	Growth Companies %	Natural Resource Companies %
Selected Growth Stocks	+110.8	+19.9
The Averages	+66.8 (a)	—7.0 (d)
	+52.8 (b)	—3.2 (e)
	+59.4 (c)	+35.6 (f)

Up 19.7% Since Year Ago

June 30/58 - June 30/59

	Growth Companies %	Natural Resource Companies %
Selected Growth Stocks	+30.8	+2.0
The Averages	+19.6 (a)	+8.0 (d)
	+21.8 (b)	—10.5 (e)
	+16.0 (c)	+18.5 (f)

Down 1.1% in Last Quarter

March 31/59 - June 30/59

	Growth Companies %	Natural Resource Companies %
Selected Growth Stocks	+1.9	—5.9
The Averages	+1.7 (a)	—6.5 (d)
	+2.0 (b)	—9.2 (e)
	+2.9 (c)	—5.6 (f)

Note: The averages used are:
(a) Toronto Stock Exchange Industrials Index.
(b) Montreal Stock Exchange Indust. Index.
(c) DBS 95-stock Investors' Price Index.
(d) TSE Base Metals Index.
(e) TSE Western Oils Index.
(f) MSE Golds Index.
Figures for growth stocks are based on assumption that equal amount of money invested in each stock in the list.

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SELECTED GROWTH STOCKS

Drive for Plant Efficiency Pays Off for Atlas Steels

● *Specialty steel-maker expects good second half too . . .*

● *Industrial Acceptance reports "modest" gain in contracts . . .*

By NESTOR

ATLAS STEELS net profit in the second quarter (ended June 30) amounted to 73c per share, compared with 57c in the same period last year and 49c in the second quarter of 1957.

Earnings for the first half total $1,760,000 or $1.62 per share. This is more than was earned in the first nine months of last year (and the same total as the first nine months of 1957.)

It brings the total of earnings for the last 12 months to $2.82 per share compared with full year earnings in 1958 of $2.04 per share and in 1957 of $2.50 per share.

Commenting on the outlook, H. George DeYoung, president, says the order backlog for the third quarter is good, and a good level of operations is expected for the rest of the year. Inventories and personnel have been increased to speed service to customers.

Sales for the first half totaled $22.1 million, compared with $15.7 million a year ago. Sales in the second quarter were $10,673,000 compared with $8,292,000.

Ratio of net profit (after taxes) to sales in the second quarter was 7.5%. While this is lower than the 9.5% achieved in the first quarter, it is still firmly above the 6% target that the company has been aiming at for some time. Efficiency of employees is cited by DeYoung as one of the prime reasons for the second quarter's operating results. The company's sales force has also been strengthened.

Atlas Steels has been working toward greater plant efficiency for the last two or three years. One major step has been the broadening of the range of business that the plant can handle.

Last April, in a bid to increase its share of the domestic market, Atlas made cuts of 15%-20% in the selling prices of its No. 1 finish stainless steel sheet and plate.

It would appear that the effect has been to double the physical volume of sales in this line and cut back imports substantially.

No detrimental effects are anticipated from the U. S. steel strike unless its duration is sufficient to slow down the Canadian economy generally. The pattern of Atlas business is now allied closely to national economic trends.

At recent market price of $27, common stock is 69% above UV level ($16), could rise 85% before reaching OV level ($50). Price is 13.2 times 1958 earnings of $2.04 per share. Yield is 3.70% at indicated annual dividend rate of $1 per share. Price this year has ranged between a high of $29⅝, a low of $24⅛.

* * *

INDUSTRIAL ACCEPTANCE CORP. during the second quarter made long term borrowings of $16 million, reflecting a higher volume of business as well as balancing of its various classes of debt.

Second quarter earnings are not expected to be released for another month. In the first quarter, however, company earned 88c per share compared with 77c a year ago.

Borrowings made during the second quarter comprised $6 million 5¾% 20-yr. secured notes placed privately by Greenshields & Co. and $10 million 6% debentures, due 1979, sold to the public at par by a syndicate headed by Greenshields.

Company reports volume of new contracts purchased in the first half of this year are "modestly higher" than corresponding 1958. Indications are this trend will hold for the full year.

In addition company says receivables outstanding at the end of June were higher than a year earlier.

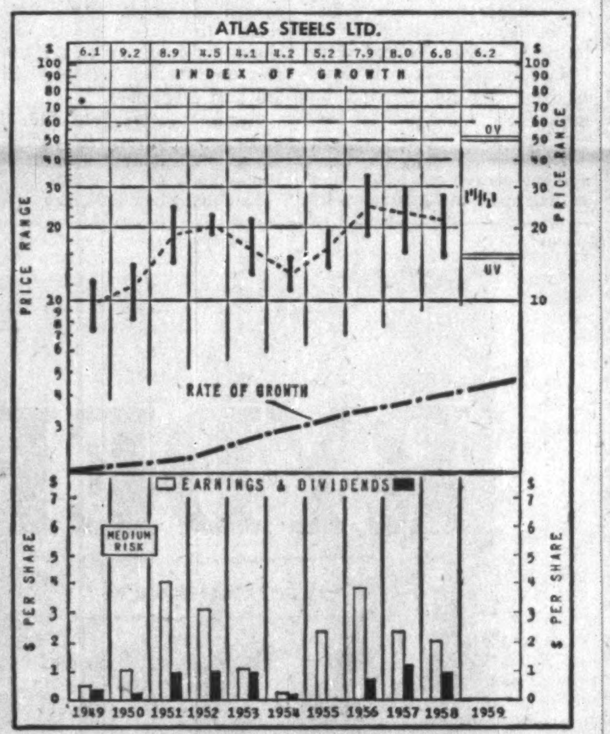
While new car sales this year have been running considerably higher than corresponding 1958, increase in the volume of company's business has been at a somewhat lower rate.

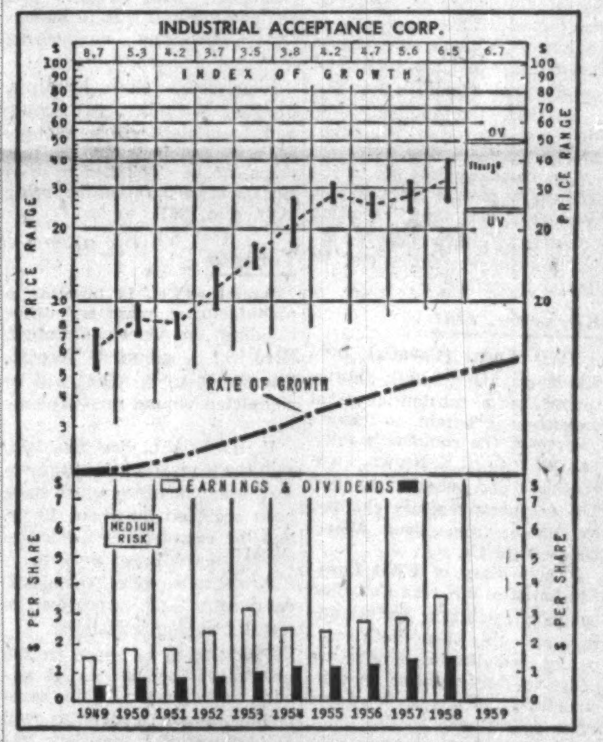
Company officials note costs — particularly cost of borrowing — have been rising steadily, putting some squeeze on earnings.

As a result, company has made adjustments in some categories of plans it offers dealers. Further, IAC is changing the "mix" of its borrowings in order to obtain the most advantageous interest rates.

At present company has 115 offices throughout Canada. In addition, **Niagara Finance Co.**, — a wholly owned subsidiary — operates from 151 locations.

At recent market price of $40¾, common stock, is 70% above UV level ($24), could rise 20% before reaching OV level ($49). Price is 11.3 times 1958 earnings of $3.59 per share. Yield is 3.93% at indicated annual dividend rate of $1.60 per share. Price this year has ranged between a high of $40¾, a low of $35½.





How to Read Nestor's Special Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

PRICE RANGE: The annual high low and mean price Monthly ranges for the current year.

UNDERVALUATION AND OVERVALUATION PRICE LEVELS. Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjusted as underestimating or overestimating its future rate of growth. A stock showing a fast growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV or OV levels a current quotation of, say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figures in any given year.

RATE OF GROWTH: The rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

**Background and principles behind the selection by Nestor were discussed in a special article in FP, Jan. 10, 1953. A limited number of reprints are available on request.*

Merchandising Seen Key To Maritime Farm Growth

From Our Own Correspondent

CHARLOTTETOWN — Market expansion for agricultural products of the Atlantic region depends on:

- **Greater emphasis on quality.**
- **Better merchandising techniques.**

These were conclusions reached by representatives of the four Atlantic provinces at a regional convention of the Agricultural Institute of Canada.

Support of the Atlantic Provinces Economic Council was urged by R. D. Gilbert, New Brunswick deputy minister of agriculture.

APEC long has felt that, while greatest opportunity for increased agricultural production in the region lies in beef cattle and hogs, there is a substantial gap to be closed in production of small fruits and vegetables for processing.

One drawback:

Much of the Maritimes' fresh fruit and vegetable production lacks consumer appeal due to poor quality and inferior packaging.

The Atlantic region produces substantially less than 50% of its requirements of pork and beef. Dr. F. W. Walsh, Nova Scotia deputy minister of agriculture, told delegates 1958 meat importation cost consumers between $45 and $50 million.

With good pasture land available, quality of livestock is improving. Ten years ago only 18% of livestock sold was grade C or better. Today the figure is 40%.

New Brunswick is encouraging farmers to develop beef cattle herds to feed on its fine natural grass.

It is using a multiplicity of devices, including community pastures, bull bonuses under which agricultural societies receive assistance on bulls, and more artificial insemination.

Auctions are conducted in cooperation with farm organizations in many areas, including Sussex, Moncton, Fredericton and East Florenceville. Since the first auction sale at Sussex in April, 1957, volume has soared well over $1 million.

"In the last two years 90% of the animals sold through the auctions went sufficiently high so that it would not have paid to ship them to Montreal," Gilbert said.

Three community pastures are being operated this summer under direction of Nova Scotia Department of Agriculture. This project was expanded from two pastures a year ago to encourage more widespread interest in animal husbandry.

One at Minudie on dyked marsh land and one at Cape John, Pictou County, accommodate only cattle. At Cape Mabou, 1,000 ft. above sea level, sheep and cattle are accommodated.

Trend toward larger flocks of sheep continues but, according to one provincial livestock director, too many farmers are selling their lambs in one block at per head prices rather than by the pound.

One reason:

Difficulty in organizing carload shipments on a rail grade basis due to scattered supply.

But even when rail shipments were organized in some areas, many lambs should have been held back until they were given greater finish which would have yielded the farmers a higher return.

Poultry industry continues to expand although prospects for 1959 are not quite as bright as in some previous years. Marketing of dressed poultry has been one of the bright spots and today the odd carlot produced beyond seasonable requirements can hold its own in any market in Canada or U. S.

S. C. Wright, P.E.I. deputy minister of agriculture, noted that half his province's 1958 butter production of six million lb. was bought by Nova Scotia. But other producers, especially potato growers, were forced to seek markets farther afield.

To hold present markets and develop new ones, P.E.I. farmers must become more quality conscious, he said.

Only in P.E.I. does production of most farm products exceed consumption and to ensure outlets the government maintains a vigorous program of assistance in production, processing and marketing.

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Industrial Growth

Manufacturing plants new to Canada; expansions of existing industry across the nation.

Trenton, Ont.

Skiltools Ltd., subsidiary of **Skil Corp.**, Chicago, has moved into its new manufacturing plant in Trenton, Ont.

Plant has 13,000 sq. ft. of floor space and site provides 100,000 sq. ft. of future expansion space.

James A. McGarey, who has been with Skiltools since 1946, continues as vice-president and general manager. He will direct manufacturing activities in Canada and will supervise sales and service.

Ewald Lenz, formerly Canadian sales manager, western division, becomes Canadian sales manager.

A limited line of tools is being manufactured at the new plant. **More products will be added** as production facilities are perfected and sales increase.

Besides its new manufacturing plant, Skiltools operates three sales and service branches, and two warehouses in Canada. Branches are located in Toronto, Montreal and Vancouver.

Edmonton

Foundation Co. of Canada has been appointed designer and construction management firm for the new $3 million plant to be built near Edmonton for **Fiberglas Canada Ltd.**

Bell & McCullock, Edmonton, is associate architect.

Fiberglas recently acquired 30 acres from **Canadian Chemical Co.**, on Highway No. 16A, northeast of Edmonton. Contract for grading and foundations has been let to **A. V. Carlson**, Edmonton.

Plant will contain 80,000 sq. ft. of floor space and is scheduled to be in operation by January, 1960. Over 100 people will be employed.

It will produce Fiberglas insulating wool products primarily for the construction industry and serve markets from Winnipeg west to the coast.

Approximately 30% of production from the company's Sarnia, Ont., plant goes to Western Canada. This could now go to Eastern Canada and should mean faster and more efficient service to all Canadian markets.

In 1946, the company had eight basic forms of Fiberglas. Now it has more than 50.

The company intends to introduce a new process in the Western plant and resulting products will have improved insulation characteristics and be lighter in weight.

Kitchener, Ont.

FWD Corp. (Canada) Ltd., Kitchener, Ont., will shortly undertake a substantial plant expansion program to handle growth of the company's sales, according to R. E. Brown, vice-president and general manager. The company recently changed its name from **Four Wheel Drive Auto Co.**

A subsidiary of **FWD Corp.**, Clintonville, Wis., the Canadian company celebrates its 40th anniversary this year. Both companies specialize in manufacture of heavy-duty vehicles for construction, highway, defence and other operations.

The Canadian company produces a complete line of **FWD** vehicles including highway maintenance, snowplow, transport and ready-mix concrete trucks.

Other specialized equipment includes fire apparatus, wheeled tractors for use in logging and other applications, and crane carriers.

All are made in Canada.

Scarborough, Ont.

Perini Ltd., is general contractor for the new plant of **Adams Brands Ltd.**, on Bertrand Ave., Scarborough, Ont., and **John B. Parkin Associates** is architect. Both are Toronto firms.

To be completed in the spring of 1960, the plant will have a floor area of 160,000 sq. ft.—double the size of the company's existing plant on Dickens Ave.

About 250 will be employed by the chewing gum and confectionery manufacturer.

Ajax, Ont.

Ajax Magnethermic Corp., Trenton, N.J., and Youngstown, O., has formed a partially owned and controlled Canadian subsidiary, **Ajax Magnethermic Canada Ltd.**

Located at Ajax, Ont., the company will engineer and build industrial heat process equipment. Principal concentration will be on sales, manufacture and service of the low- and high-frequency induction heaters and melters of the Magnethermic, Ajax Engineering, and Ajax Electrothermic division of the parent company.

The equipment is used in the aluminum, copper and steel fabricating fields.

Directors of the new company are:

John A. Logan and Bruce E. McArthur, president and vice-president respectively, of the parent company.

Ivor G. Slater, president of Ajax Magnethermic Canada Ltd., and formerly engineering sales manager of a well-known Canadian industrial furnace company.

Castlegar, B.C.

Gilpin Construction Co., and **Henry J. Kaiser Co. Canada**, both general contracting firms, have been awarded the structural contract for **Celgar Ltd.'s** new $50 million bleached kraft pulp mill at Castlegar, B.C.

The two firms will be responsible for supplying and operating the batch plant and for the excavation, back fill, and form work for all the buildings and structures.

They will also place the structural concrete and construct the masonry walls.

Work, involving several million dollars, will continue into the late summer of 1960. Over 40,000 cu. yds. of concrete, 6 million lb. of reinforcing steel, 140,000 sq. ft. of masonry, and 1½ million sq. ft. of forms will go into the construction.

Gilpin and Kaiser will also build 3 mi. of roads on the 65-acre plant site during construction.

Gilpin was also awarded a separate contract for installation of fire mains.

Accommodation and recreational facilities for 600 men are almost ready for use by construction crews.

Around 100 construction men are now working on the mill. The force will reach 800 by mid-fall and a peak of around 1,200 men in spring of 1960.

Mill is expected to be in operation in the spring of 1961.

Working with Celgar's own engineering staff is **H. A. Simons Ltd.**, consulting engineering firm.

Woodroom, chip handling, booming grounds, meter supply and steam plant will be in operation by October, 1960, so that chips can be stockpiled in open storage in preparation for spring startup in 1961.

Toronto

Armalite Co., is building a manufacturing plant and office building on Queen Elizabeth Blvd. S., in suburban Toronto. The 30,000 sq. ft. plant will be completed around mid-September.

R. H. Wright, vice-president, said the company had outgrown its present facilities which have been occupied for about 10 yr. and the expansion is needed to allow for continued growth.

Armalite supplies chemicals, equipment and processes to metal finishing industries.

Products to be made in the new plant include: nickel anodes, buffing and polishing compounds, alkali cleaners, as well as plating tanks, rectifiers, vapor degreasers and plating barrels.

New equipment is being installed to assure up-to-date manufacturing techniques.

The expansion will provide greatly enlarged facilities for customer service and development laboratories. Designed to provide close and continuous quality control from raw materials to finished products, this new laboratory has greatly enlarged pilot plant equipment.

This is expected to enlarge the scope of customer test work on all finishing processes and to cut down the time required for this service.

Seabreeze Manufacturing Ltd., Toronto, will move its complete facilities from its present buildings on River St., to a new plant at Jutland Ave., in suburban Etobicoke township early in August.

The plant contains over 60,000 sq. ft. of floor space and rear wall is removable to allow for future expansion.

The company is said to be the only manufacturer of tape recorders and record changers in Canada, in addition to producing stereophonic sound systems and pre-recorded stereophonic tapes, record players, high fidelity equipment, radio tuners, transistor radios, electric fans, electric ironers and fractional horsepower motors. The latter are for company use and the industrial market.

President Arthur K. Tateishi started the business 14 yr. ago with a radio repair kit, handling service calls for Toronto appliance stores. The company now has 150 employees and this figure is expected to reach 200 before Christmas.

ALUMINUM—finding many new uses these days—has shown up in another surprising place. Canada's first heavy duty aluminum truck body is undergoing intensive testing by Canadian Johns-Manville at Asbestos, Que. Aluminum Co. of Canada, supplier of the metal, says use of 7,500 lb. of aluminum in the body means a deadweight saving of 7,500 lb. This allows an increase in capacity from 14.8 cu. yd. to 19.2. Alcan says tests so far suggest aluminum can take same treatment as steel bodies and cut haulage costs.

Finley W. McLachlan Ltd., is general contractor.

Besides office and production areas, the plant will have a cafeteria, printing department and a special soundproof audio room.

Seabreeze is also installing new manufacturing facilities as part of a modernization program.

Otto Bernz Co., Rochester, N.Y., has formed a Canadian subsidiary, **Otto Bernz (Canada) Ltd.**, to produce portable propane torches and other Bernz-O-Matic appliances in Canada.

Headquarters will be at 36 Caledonia Rd., Toronto, head office of **John A. Huston Co.**, which will continue to distribute Bernz products.

First torches produced by the Canadian branch are expected to be available in early September.

F. G. Houselander has formed a new company, **Commercial Truck Bodies Co.**, to manufacture all types of truck bodies including moving vans, stakes, milk delivery wagons, ice cream and refrigeration truck bodies.

President Houselander was formerly with **Robert Elder Ltd., Toronto**, truck body manufacturer, for 25 yr. and was production manager for that company.

The new company has leased a plant containing 9,000 sq. ft. of floor space at 78 Advance Rd., Toronto 18.

Robert McAlpine Ltd., Toronto, is general contractor for the plant of **Morganite Carbon Products Canada Ltd.**, now under construction on Mobile Dr., in North York township in Metropolitan Toronto.

Weir Cripps & Associates, Toronto, is architect.

To be completed around mid-October, the plant will contain 15,000 sq. ft., and site will allow expansion of the plant to around 28,000 sq. ft.

A wholly-owned subsidary of **Morgan Crucible Co.**, London, Eng., the Canadian company manufactures carbon brushes used in electric generators and motors, as well as other carbon graphite products.

Latest developments reported by the Toronto Industrial Commission:

Canadian Seating Co., is constructing an addition to its plant on Canmotor Ave.

The larger facilities will enable the company to do welding, bending and pressing operations which had been sub-contracted previously.

Products include theatre, church and school seats, classroom furniture, tables and chairs and folding chairs. Fibreglas and molded plastic chairs are also fabricated.

Argus Printing Inks Ltd., is adding a 5,000 sq. ft. addition which will double size of its Royal York Rd. S., plant.

Established in 1952, the company will use the additional facilities for manufacture of newspaper colored inks, lithographic inks and general printing inks.

Toronto Plastics Ltd., is expanding its facilities by 60%. Completion is expected this month.

The company does custom injection molding and extrusion of plastics, including a variety of items in nylon.

Rohm & Haas Co. of Canada, subsidiary of **Rohm & Haas Co.**, Philadelphia, will shortly complete an addition to its plant on Manse Rd., Scarborough township, which will be used for production of acrylic emulsion.

This new product was developed just five years ago in the parent plant and is used as an ingredient in paint manufacture and as a finishing material to improve the feel of natural fibre textiles.

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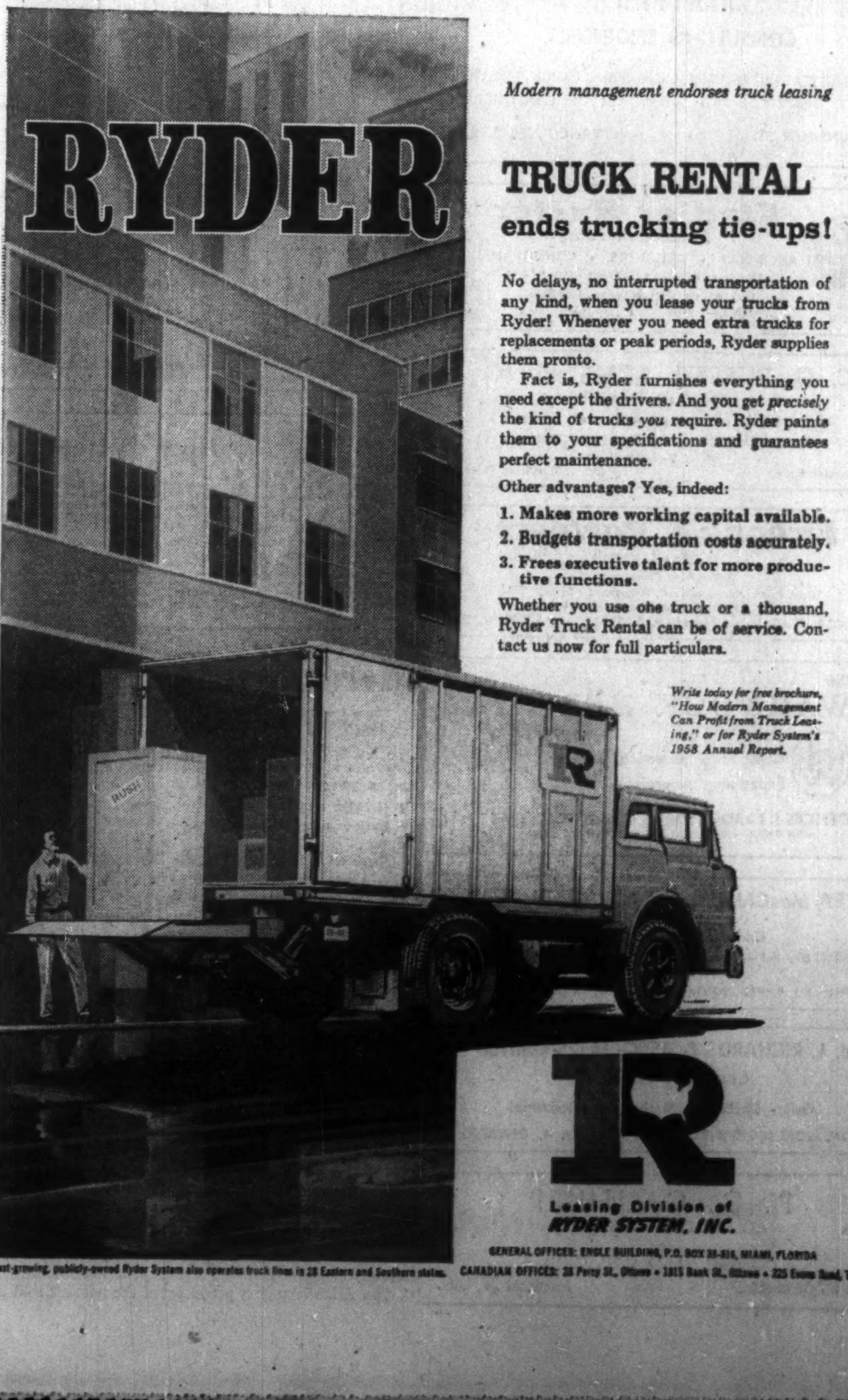
Mr. A. H. Jeffery, President of The Ontario Loan and Debenture Company, announces the election by the Directors of Mr. W. Bradley Granger as Vice-President and Mr. Howard L. Hayman as a Director of the Company. Mr. Granger, who is also Vice-President of Granger-Taylor Limited, has been associated with The Ontario Loan and Debenture Company as a Director since 1950. Mr. Hayman is Vice-President of The John Hayman & Sons Co. Ltd. and has been associated with the building business for many years. These vacancies were occasioned by the death of Mr. Archibald McPherson, former Vice-President and Director of the Company.



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BROWN CO. EXPANDS

Brown Co., Berlin, N.H., reports it will spend almost $200,000 for an addition to its Cascade paper mill in Gorham, N.H. This will provide more space for converting and finishing equipment "thus enabling us to operate at lower cost and provide better customer service in the flexible packaging, envelope and printing paper trade".

ROLLS-ROYCE LIMITED

REVIEW OF 1958

Research and Development the key to the future

The following are extracts from the statement by Rt. Hon. Lord Kindersley, C.B.E., M.C., the chairman, which has been circulated with the report and accounts for the year ended December 31, 1958.

GENERAL REVIEW

During 1958 we achieved an increase in total revenue and we ended the year with outstanding orders marginally greater than a year ago. These are satisfactory features in a year of transition with many uncertainties and in which there was a marked lull in the ordering of new equipment for the major airlines. In spite of these satisfactory features, however, our accounts reveal lower profits. This is principally due to a substantial increase in expenditure on research and development.

Last year I emphasised that the current level of activity resulted from research and development originated many years ago. Much of it was of course initiated to meet defence requirements. Those requirements are diminishing, and all companies who seek to remain as major suppliers of aero engines are therefore faced with the task of finding from their own resources the money to continue programmes of work which will retain for this country much of the export business which has already been developed so successfully. In 1958 the aircraft industry achieved exports of £154 million to which your company's engines contributed £36 million. Without this continuing effort on development the British aero engine industry must inevitably be relegated to a minor role in world aviation.

During the last five years we have spent some £8 million on capital equipment entirely associated with development. In the last two years alone we have spent more than £10 million—an amount equal to the total retained profits shown in our balance sheet—on the direct development of engines, and the bulk of this has been spent on engines which are not yet contributing to profits.

There is every reason to expect that the turnover for the year will compare favourably with 1958. During the early part of this year however new orders for aero engines were still being received at a somewhat lower rate than in recent years. Expenditure on research and development must of course continue, and will probably exceed the figure for 1958. In this transition period through which the major part of our business is passing it must be counted as a considerable achievement if profits for the current year can be maintained at the 1958 level.

AERO ENGINES

The changes in British defence policy outlined in the 1957 White Paper were felt increasingly during the year under review. Fortunately in 1958 the increase in work on civil engines offset this reduction in government work.

In spite of the generally cautious attitude towards new equipment which has characterised the great majority of airlines during the year, the company's sales and engineering teams have been actively engaged throughout the world. Rolls-Royce engines are now in service with or on order for 66 airlines and 31 other operators in all parts of the world.

A total of more than 2,700 Dart engines have been built and have accumulated over 8 million running hours. The reliability of this engine has been proved throughout the world, and during 1958 a life between overhauls of 2,200 hours was achieved.

I referred last year to the choice of a Rolls-Royce by-pass jet engine now identified as RB.141 for the Airco DH.121 aircraft for British European Airways. This will be one of a series of engines which will embody your company's unique experience of by-pass engines and of civil gas turbine operation, and is intended to be the best possible design for sub-sonic transport aircraft.

The past year has seen the work on jet lift, pioneered by your company, carried a notable stage forward with the successful flight testing of the Short SC1 VTOL research aircraft which is powered by our RB.108 jet lift engines.

Our initial confidence in the Tyne is now bearing fruit; although only at the start of its service life, this engine has already increased in power from 4,000 h.p. to 6,000 h.p. The Dart has been in service for six years, but development continues, and the engine has recently been type-tested at a rating of 2660 h.p. which clearly increases its potential field of use.

ROCKET MOTORS

The development of our rocket motor, based on designs of the Rocketdyne Division of North American Aviation Inc., is continuing. Recent government statements on defence emphasise that the Blue Streak missile into which this engine is to be fitted will be one of the major deterrent measures safeguarding this country.

MOTOR CARS

I reported last year that the sales of motor cars at home during the early part of 1958 had been adversely affected by the credit squeeze and the general economic difficulties in which the country found itself. As these circumstances were alleviated during the course of the year the position improved, a situation which has been maintained up to the time of writing this statement.

Our export sales of cars were a record for the company, and the improvement was almost entirely due to the continually growing demand from the United States of America.

ENGINES AND TRANSMISSIONS

The Oil Engine Division has felt the effect of recession in the demand for the many kinds of capital equipment in which our engines are installed. Since the turn of the year, however, prospects have improved and there are indications that 1959 will be a better year in this and the other fields in which the Division is engaged.

The Motor Car Division continues to develop and produce petrol engines which cover a wide field of civil and military applications, and which are being supplied in quantity to the British and Federal German governments.

The manufacture and sale of industrial hydraulic torque converters and certain types of gear transmissions continued to grow throughout the year.

RAIL TRACTION ACTIVITIES

This new market for Rolls-Royce products is being energetically developed and the order book is encouraging. Diesel engines, transmissions and control systems can now be offered either as separate items or complete systems for use in shunting locomotives and railcars. Deliveries have been made to British Railways and to overseas customers, and many interesting enquiries are being dealt with.

NUCLEAR ENGINEERING

The work which we have been pursuing in this important field was marked by an event of great significance when arrangements were finally made on behalf of the Admiralty to purchase from the Westinghouse Electric Corporation in America, a complete set of machinery for the first British nuclear submarine, H.M.S. Dreadnought.

A subsidiary company in which Vickers Limited and Foster Wheeler Limited are our partners has been formed, under the name "Rolls-Royce and Associates Limited" and this company will carry on the work of designing, developing and procuring nuclear compartments for naval vessels.

In addition to these activities, work has continued on the study of other possible applications of nuclear power.

OVERSEAS ACTIVITIES

The extensions to the equipment of Rolls-Royce of Canada Limited were brought into use in 1958 and the company is now carrying out overhaul of Dart engines for civil operators whilst continuing the overhaul of military engines and the manufacture of spare parts for Nene engines.

During the year the Canadian company signed an agreement with the International Harvester Company of Canada under which the latter company agreed to use Rolls-Royce diesel engines exclusively for their Canadian-built heavy-duty highway trucks.

Rolls-Royce of Australia Pty. Limited has continued to carry out the overhaul of all Dart engines operated by the civil airlines in Australia. We established this overhaul facility in Australia in order to provide a service to the airlines who wished to purchase Rolls-Royce gas turbine engines. The airlines have now expressed a wish to undertake the overhaul work themselves and preliminary talks have taken place to discuss the transfer of the work. The Australian company will however continue to operate, specialising in sales promotion and after sales service for all Rolls-Royce products.

During 1958 work was commenced on the factory at Sao Paulo for the newly-formed Rolls-Royce subsidiary in Brazil which has been named Motores Rolls-Royce SA. The workshop building is due for completion in August 1959 and will be equipped as quickly as possible for the overhaul of Dart, Avon and Conway engines for civil airlines. Equipment is also being provided for the servicing of Rolls-Royce diesel engines.

CONDENSED STATEMENTS OF ACCOUNTS FOR 1958

SHARE AND LOAN CAPITAL AND RESERVES	**£42,733,445**
INCOME, PROFIT AND DIVIDEND	**£**
Income	96,207,918
Profit before tax	4,606,980
Profit after tax	2,086,980
Net dividend (20 per cent.)	1,194,982

Opportunities for You In Overseas Markets?

Need a foreign manufacturer to make your product under license for sale in overseas markets?

Names and addresses of foreign firms listed here will be supplied to interested Canadian firms by the Department of Trade and Commerce, Ottawa.

Here's the list:

Valve Manufacturer

A valve manufacturer in France wishes to enter a licensing agreement with a Canadian manufacturer of anti-leak valves for high-pressure gas feeders, and manufacture of poppet-valves for high-pressure gas feeders, strainer poppets and valve cocks. **File: 5-56-30.**

Nuclear Power Controls

A U.K. company designs and manufactures undercarriages, hydraulic equipment and electro-hydraulic controls for the aircraft industry.

It has also built up a first-class design team and equipped a new block of laboratories for design and fabrication of hydraulic and pneumatic actuating equipment, hydraulic and electro-hydraulic controls and fork lift trucks.

The company's design and development organization is now available to a Canadian firm wishing to enter into a licensing agreement with particular interest in the design of high grade equipment where intricate mechanism, hydraulic and pneumatic actuating systems, especially electro-hydraulic control gear, is involved. **File: 5-56-53.**

Further information can be obtained by writing R. B. Hayden, Industrial Development Branch, Department of Trade and Commerce, Ottawa. File number should be quoted.

Machine Tools

An old-established U.K. firm presently manufacturing machinery and machine tools for the printing and automobile industry wishes to diversify its production through the manufacture of suitable Canadian products under license. **File: 5-56-54.**

Paper-Back Books

A long-established U.K. publishing house wishes to associate with a Canadian publisher of paper-back books of the Western, detective, and comic strip variety with a view to reproducing them under license in the U.K. **File: 5-56-56.**

Facilities in Belgium

A leading Belgian manufacturer of woolen and nylon textiles has surplus capacity in its plant. This company would be interested in introducing Canadian manufacturers to its facilities, especially in view of the recent establishment of the common market.

Available are two ultra-modern factories which have a floor space of 100,000 sq. ft. connected with main electrical supply, 250 kva transformer. The factories are both located on railroad lines and both have spacious office space. **File: 5-56-57.**

Iron and Steel

This Belgian firm is interested in contacting a Canadian company that is considering having its products manufactured under license in Europe. Present facilities would lend themselves to the manufacture of agricultural machinery and construction of mechanical handling and lifting equipment. **File: 5-56-58.**

South Africa Offers

This South African firm will enter into a licensing agreement with a Canadian firm manufacturing small arms and/or appliances.

The weapons suggested by this company, which would appear to lend themselves to production in the Union of South Africa for sale in the Union and export to territories are: automatic rifles, sub-machine guns and small mortars.

Civilian lines could also be produced in order to obtain sufficient diversity and this might include household appliances, food mixers, automatic toasters, air guns, pellets and other mechanical devices.—**File: 5-56-59.**

Ferrous Founders

An old-established U.K. firm is interested in manufacturing suitable Canadian products under license.

They can undertake within their own confines the complete supply of assemblies involving pattern equipment, castings — both ferrous and non-ferrous — fabricated and/or corrugated construction steel work, stair case, fire escapes, complete machinery and final assembly. — **File: 5-56-62.**

Valve Maker

This U.K. firm wishes to become associated with a Canadian company to make a unit or units under license.

They are particularly interested in obtaining work in which they can utilize their past experience in the manufacture of hydraulic jacks, thermo valves, automatic cut-out valves, relief valves, release valves and dual purpose valves (working in air and oil) as used in the machine tool industry; hydraulically-operated bottling plants, atomic energy plant or any other similar type of engineering. — **File: 5-56-63.**

Molded Rubber

This French firm is a manufacturer, wholesaler and retailer of molded rubber articles for industrial uses.

They wish to expand and diversify their activities through a licensing or working agreement with a Canadian firm for the manufacture of related lines in France.

The firm is particularly interested in fabricating new Canadian lines of molded rubber articles of all types for industrial use, such as gaskets, joints, rings, etc. — **File: 5-56-65.**

Montreal Bank's New Promotions In Staff Changes

H. G. ALDRIDGE, an assistant superintendent, Que. credit dept., head office, Montreal, to be manager, Snowdon-Hampstead, Montreal.

D. A. T. DAVIS, manager, St. George's, Nfld., to be manager, new branch to be opened shortly at Rockland Shopping Centre, Town of Mount Royal, Que.

W. G. BOONE, accountant, Perth, N.B., to be manager, St. George's, Nfld.

H. C. BOECKNER, manager, Queen & Portland Sts., Toronto, to be an inspector, head office, resident in Toronto.

V. V. HASSETT, accountant, Regina, to be assistant manager, Fifth St. W., Calgary.

S. B. LINDSAY, assistant general manager's dept., Winnipeg, to be assistant manager, North Side, Regina, a newly created post.

H. B. FRANCIS, assistant manager, Broadway & Main Sts., Vancouver, to be an assistant superintendent, business development dept., head office, Montreal.

M. C. WOODCOCK, manager, North Bay, Ont., to be manager, East End, St. Thomas, Ont.

W. R. McPHAIL, accountant, Kelowna, B.C., to be manager, Dawson, Y.T.

MacNab's Portfolio

A Managed Investment Account

Invested in 1944 .... $10,000

Account latest valuation $39,930

Will Vote for B. C. Merger

MacNab's manager says he intends to recommend approval of the proposed merger of **MacMillan & Bloedel Ltd.** and **Powell River Co. (FP, July 4).**

If the merger plans are successfully concluded, his client will receive 140 shares in the new company, or two shares for each of 70 he now holds in Powell River.

The manager also notes that the increased strength shown by the stock market, particularly in the steel group, has increased the value of the account.

Here is his report:

The most important news affecting MacNab's investment portfolio is the announcement by the directors of **MacMillan & Bloedel Ltd.** and **Powell River Co.** of a proposed merger of the companies.

If approved by shareholders and by tax authorities both in the U.S. and Canada, the merger would result in a fully integrated forest operation combining logging, lumbering, plywood, pulp and paper manufacturing and distribution with assets totaling about $300 million.

Under the plan, Powell River would change its name to **MacMillan, Bloedel & Powell River Ltd.** Its outstanding shares would be split two-for-one, and authorized capital stock increased to 25 million shares. Shareholders of MacMillan & Bloedel would be offered seven new shares for each three shares of MacMillan & Bloedel now outstanding.

It is anticipated that the offer will be made by the end of August. I intend to recommend its acceptance.

A strike involving 27,000 members of the International Woodworkers of America has been under way for a week in British Columbia. According to some people close to the industry, it may be of considerable duration.

Further strength in the stock market has resulted in the improvement in the value of MacNab's account.

Particular strength has been evidenced in the steel company shares. Ingot production for the first six months of 1959 showed a gain of approximately 17½ over the same period last year.

Holdings in this group include **Algoma Steel** and **Steel Co. of Canada.**

Some market improvement has been noted in the oil and natural gas shares which have been very weak during the last few months.

Earnings of the **British American Oil Co.** for the first half of 1959 are reported to be 10% higher than the previous year.

B. A. Oil is currently bidding for large blocks of land in the Gaspe area of Quebec. The company has applied to the Quebec Government for permits covering around one million acres and also has taken up exploratory rights in the Province of Saskatchewan on 300,000 acres.

MacNab's holdings in **Molson's Brewery** have shown some strength recently on rumors that the company will acquire additional interests in western Canada.

Woods, Gordon & Co.

(successors to J. D. Woods & Gordon Limited)

Management Consultants

PARTNERS:

W. L. GORDON G. P. CLARKSON J. A. LOWDEN E. B. CHOWN
G. B. BAILEY R. F. BODDY J. A. BROWN
G. S. DONALDSON D. L. GORDON H. S. GUILFOYLE
R. O. MOORE H. W. ROWLANDS R. J. SHIRLEY
S. J. SINCLAIR A. N. STEINER D. M. TURNBULL
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CONSULTING PARTNERS:

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Fred's in the "Foreign Service" for THE BANK

One of the most important facets of The Toronto-Dominion Bank's operations is, perhaps, one of the least known. It's the Foreign Department—comprising a world-wide network of correspondent banks, plus fully-staffed offices in the U.S. and U.K., who provide vital and authoritative information to foreign firms, and serve Canadian business interests abroad.

A key member of "The Bank's" Foreign Department is Fred Elliott who, as agent in New York, heads up a staff of 60 Toronto-Dominion people. It's an interesting and challenging job, one that keeps him in constant contact with other major banking concerns, and with the top executives of corporations with business interests in Canada. Thoroughly experienced, and keen of judgment, Fred Elliott typifies the capable, courteous people you'll find at any branch of "The Bank". Drop in soon and see why . . .

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J-4871

Market Comment

What stocks and bonds are doing and what prominent observers say

The federal government estimates on capital expenditures intentions for 1959 have been revised upward from early year. They are now set at a new record level of $8.544 million, up 1.5% over last year's previous record of actual expenditures.

This promises a continued strong prop under the Canadian economy for the rest of the year; adds interest to shares of construction firms and heavy equipment manufacturers.

The National Energy Bill finally cleared the House of Commons in the dying sessions of parliament before prorogation.

Early announcements are expected on appointments for the five-man energy board. Petroleum industry interest in appointments is naturally keen.

Name most often mentioned in connection with the top post is that of Ian. N. McKinnon, head of the Alberta Oil & Gas Conservation Board, Calgary. One thing is certain, in his years with the Alberta board, Mr. McKinnon has become fully acquainted with the marketing problems of both the oil and gas producers.

Work is piling up rapidly for the new board. First big jobs will be dealing with four pending applications seeking gas export permits into U.S. — the applicants **are Trans-Canada Pipe Lines, Alberta & Southern Gas, Westcoast Transmission, Niagara Gas Transmission.**

* * *

T. G. SHEARD; Dominion Securities (Toronto)

Canadian markets continue to give evidence of their characteristic selectivity. Instead of the so-called "rolling recession" of last year, we now have something which might be described as "rolling prosperity" as recovery becomes apparent in various phases of the economy.

This is being reflected in the changing emphasis placed on different industry groups and stocks in the market.

In recent weeks the most conspicuous example of this tendency has been the action of the Canadian steels, which have attracted buying with the approach of the U.S. steel strike.

Aluminum issues, also, have at last been carried out of the narrow trading ranges of last winter, in spite of slack or even declining commodity prices for other metals, notably copper.

While this type of rotating interest is characteristic of an active bull market, **it is not necessarily an indication of weakness.** There is, of course, always a speculative element focusing its attention on very short term prospects and influencing prices accordingly.

However, it seems likely that rising prices of many common stocks have so far tended to inhibit, rather than encourage, speculation in industrial stocks by the general investing public.

There are still stocks which either suffer from the stigma of the depression years, or which are under a cloud of near-term difficulties.

Current statistics for newsprint are proving that the continued boom in consumer goods industries and advertising is resulting in increased production and prosperity for Canadian producers.

The Canadian oil and gas industry, which is presently suffering from squeezed profits on refined products and a world surplus of oil, should benefit in the not-too-distant future by an increasing share of both domestic and U.S. markets, and by rapidly rising sales of natural gas.

Growth prospects for certain Canadian public utilities remain excellent.

In the food industry, although increasing competition in retailing may result in lower over-all profit margins for distributors, the record of Canadian companies in this field, and in wholesaling and production, and the potential in the Canadian market, must not be forgotten.

A large proportion of stocks listed on Canadian exchanges are those of companies which operate in relatively specialized fields, or which may be the only publicly owned company in their industry.

Many of these companies are in a comparatively early stage of their growth, and some offer interesting possibilities to the investor who can afford to invest in a less seasoned situation.

In general, the chief apparent problem facing Canadian industry still appears to be that of rising costs, in an era when industrialized manufacturing potential is growing in other parts of the world. As productivity grows overseas, we must continue to watch closely for any signs of serious limitation of Canadian or overseas markets for Canadian goods.

* * *

H. R. McCUAIG; McCuaig Bros. & Co. (Montreal)

During July the New York market again entered new all-time high ground based on Standard and Poors' index of 500 stocks, so that the move has not been concentrated in only a few issues.

The Canadian industrial list has also been strong, but moderate volume and lack of interest in the mining and oil sections has tended to obscure the movement.

The over-all advance in stock prices has been going on now for over a year and its extent has been of major proportion. Nevertheless the very widespread caution in most professional circles and the unexcited sentiment of the investing public are not the ingredients from which major declines have stemmed in the past.

Normal profit taking periods are to be expected and should be utilized to buy into sound carefully selected situations.

It is interesting to note that official surveys of capital expenditures in the U.S., and now in Canada, call for materially higher rate of spending by the year end which will inevitably extend into 1960.

These surveys have proven remarkably accurate in recent years.

This suggests more emphasis on the shares of heavy industry manufacturers and suppliers, especially where the stocks have moved only to a minor extent.

* * *

ANNETT & CO. (Toronto)

The demand for consumer goods so far shows no sign of slackening. Automobile and appliance manufacturers are operating at a high level and demand for textiles has improved considerably.

What is more important is that the recovery is working its way through to the capital goods industries.

Business news, the national output of goods and services, are far better than most optimistic estimates, and after a good second quarter it is reasonable to suppose that the third and fourth quarters of the year will in most cases also be good.

The advance in the stock market has been rapid and the mild reactions which have taken place have done so on reduced volume.

After consolidation at current levels the market could move to around the 600-700 area in the Dow Jones Industrial Index before an important correction takes place.

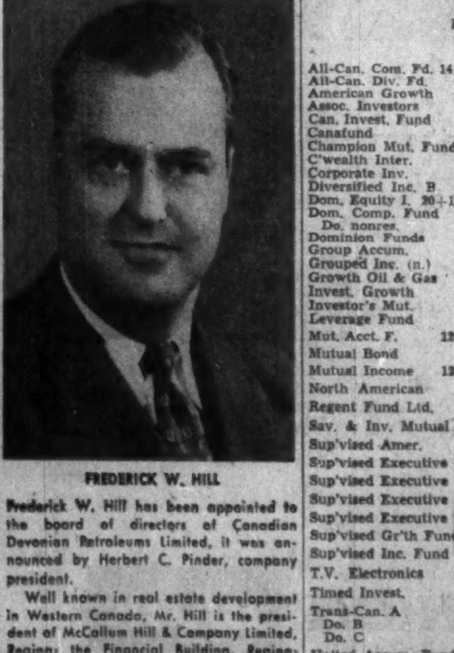
Certain stocks have, of course, fully discounted near and medium term earnings, and it is suggested that switching into undervalued situations could be done or profits protected and yield improved by switching into income producing stocks.

The bond market continues inactive. Selling pressure occurs from time to time on the Government short end and a lower price level naturally ensues with the longs moving in sympathy. Recent offerings of provincial and provincial guaranteed issues have held the price level of these comparatively in line.

The corporation market has not been subjected to any test of note in the manner of new issues. **Should this occur a lower price level could be established throughout which might be regarded as a healthy development.**

The trend of interest rates would appear to be higher and it would be unwise to expect any change in the immediate future in this trend.

ANNOUNCEMENT



FREDERICK W. HILL

Frederick W. Hill has been appointed to the board of directors of Canadian Devonian Petroleums Limited, it was announced by Herbert C. Pinder, company president.

Well known in real estate development in Western Canada, Mr. Hill is the president of McCallum Hill & Company Limited, Regina; the Financial Building, Regina; Regina Cartage and Storage; and Western Surety Company.

Mutual Funds

	Divd. pd. cents ▲	Bid	Ask.
All-Can. Com. Fd.	14.52(29.37)	8.38	9.11
All-Can. Div. Fd.	18+1(24)	6.83	7.42
American Growth	5(28)	7.58	8.26
Assoc. Investors	16(33)	8.71	8.80
Can. Invest. Fund	27(34)	9.33	10.23
Canafund	70(125)	39.36	41.33
Champion Mut. Fund	10(20)	5.68	6.24
C'wealth Inter.	21(30)	8.57	9.42
Corporate Inv.	16½(34)	9.63	10.52
Diversified Inc. B	5.4(11.6)	4.35	4.75
Dom. Equity I.	20+12(40+12)	15.90	16.23
Dom. Comp. Fund	22.5	10.61	11.03
Do. nonres.	22.5	10.60	11.01
Dominion Funds	22.5	10.46	10.88
Group Accum.		5.83	...
Grouped Inc. (n.)	14.2(20)	4.11	4.49
Growth Oil & Gas		7.38	7.73
Invest. Growth	(6.5)	6.57	7.11
Investor's Mut.	24(32)	11.90	12.87
Leverage Fund	6(17)	7.01	7.70
Mut. Acct. F.	12.27(23.42)	7.93	8.67
Mutual Bond		5.96	6.24
Mutual Income	12.95(22.73)	5.44	5.95
North American	9	9.20	10.00
Regent Fund Ltd.	(20)	5.94	6.52
Sav. & Inv. Mutual	9(17.5)	5.58	6.00
Sup'vised Amer.	6(12)	7.32	7.86
Sup'vised Executive (1955)		38.61	...
Sup'vised Executive (1956)		31.66	...
Sup'vised Executive (1957)		5.42	...
Sup'vised Executive (1958)		5.78	8.03
Sup'vised Gr'th Fund	(3)	1.91	2.05
Sup'vised Inc. Fund	8(17)	4.05	4.35
T.V. Electronics	18(■76½)	15.61	17.01
Timed Invest.	12(22)	5.85	6.26
Trans-Can. A	53.6(97)	31.65	...
Do. B		22.35	...
Do. C	8.4(20)	8.40	8.95
United Accum. Fund	12(33)	15.36	16.91

▲Paid or payable in 1959, total paid in 1958 in parentheses.

■Of which 43½ cap. gains dist. in 1958.

Canadian Auto Production

	Week Ending July 18	Same Week 1958	Year To Date 1959	Year To Date 1958	% Change To Date
CARS					
General Motors:					
Buick	167	118	5,902	8,405	
Chevrolet	2,315	1,539	55,139	53,165	
Oldsmobile	278	174	10,501	9,867	
Pontiac	1,497	1,353	44,715	40,239	
	4,257	3,184	116,257	111,676	+4
Ford:					
Edsel	4	98	1,601	1,147	
Ford	1,327	1,372	34,553	34,549	
Mercury	123	168	4,277	3,690	
Meteor	832	616	22,128	15,905	
Monarch	75	...	3,486	...	
	2,361	2,254	66,045	55,291	+19
Chrysler:					
Chrysler	131	28	4,431	2,124	
Desoto	18	24	820	696	
Dodge	492	745	14,825	13,976	
Plymouth	386	423	11,650	13,074	
	1,027	1,220	31,726	29,870	+6
Studebaker-Packard:					
Studebaker	240	120	4,987	2,303	+117
Total cars	7,885	6,778	219,015	199,140	+10
TRUCKS					
General Motors	882	566	22,639	15,084	
Ford	326	450	10,997	9,928	
Chrysler	199	170	4,678	3,924	
International	291	224	8,652	6,152	
Total trucks	1,698	1,410	46,966	35,088	+34
Total cars, trucks	9,583	8,188	265,981	234,228	+13

Source: Canadian Automobile Chamber of Commerce.

Government Bonds

July 21, 1959 (Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Asked
Govt. of Canada Bonds:			
3	Perpetual ...	72	74
2¾	June 1967/68.	84½	85½
3¾	Jan. 1975/78.	84	85
3¼	June 1974/76.	80½	81½
3¾	Mar. 1996/98.	80½	82½
3	Oct. 1959 ...	99½	99¾
3	Dec. 1960 ...	96½	96¾
3	May 1961 ...	95¼	95¾
3¼	May 1970 ...	87½	88½
3¼	Oct. 1979 ...	78½	79½
2¾	Apr. 1960 ...	98	99¾
3	Dec. 1961 ...	94½	94¾
3¾	Sept. 1965 ...	91½	92¾
4½	Sept. 1972 ...	90¾	91¾
4½	Sept. 1983 ...	89½	90½
3	Dec. 1959 ...	99	99¾
4	Jan. 1963 ...	96¾	97½
Cdn. Nat. Railways:			
3	Jan. 1961/66.	86½	88½
2¾	Sept. 1964/69.	82	84
2¾	Feb. 1961/63.	90½	92½
2¾	Jan. 1964/67.	83¾	85¾
3¾	Feb. 1972/74.	83½	85½
4	Feb. 1981 ...	82½	84½
5	May 1977 ...	95½	97½

%	Due	Bid	Asked
Int. Bank of Reconstruct. & Development			
3½	Apr. 1965 ...	88½	90½
3½	June 1969 ...	87½	89½
C'wealth of Australia:			
4	Nov. 1970 ...	88	90
Prov. Govt. Bonds			
Alberta Tel. Gtd.:			
4½	July 1976/78.	85	87½
British Columbia:			
3	June 1964 ...	88	90
Pac. Gt. East. Rly. Gtd.:			
4¾	Dec. 1987 ...	86½	88½
Man. Hydro:			
5	July 1975/77.	92½	94½
Manitoba:			
3	Oct. 1965 ...	86	88
Nova Scotia:			
4¾	Dec. 1975/77.	91½	93½
5	June 1975/77.	92½	94½

%	Due	Bid	Asked
New Brunswick:			
5½	Oct. 1968/71.	88	90
5	Oct. 1974/77.	92½	94½
Ontario:			
4½	Dec. 1962/63.	95½	97
4	Jan. 1966/68.	89	91
3	Nov. 1963/65.	87	89
5	Jan. 1977/79.	94	96
Ont. Hydro:			
4½	Nov. 1964/67.	91½	92¾
4	Apr. 1966/68.	90½	92
5	Apr. 1974/77.	94	96
4½	July 1966/69.	90½	92
4	Jan. 1974/76.	85	87
5¾	July 1979 ...	100	102
Quebec:			
4¾	Jan. 1974/77.	91½	93½
Quebec Hydro Commission:			
5	Nov. 1980/82.	91¾	93¾
Saskatchewan:			
4½	Nov. 1974/76.	88	90
3¾	Oct. 1962/65.	90	92
Newfoundland:			
4¾	July 1962/64.	93½	95½
5½	Feb. 1977/79.	93	95

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

July 21, 1959

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Alg. Cen. H.B.R.	5¾	'79	99	101	96½
Bell Phone	5	'72	95	97	95
Bowater Pr.	3¾	'80	79	82	79
Brazilian Traction L. & P.	4¾	'70	80	83	79
B. C. Electric	5½	'88	91	93	91
Do.	5¾	'77	98	100	98
B. C. Tele.	5	'82	93	96	93
Calgary Pwr.	3½	'72	81	...	81
Consumers' Gas	5	'78	92	94	92
Gatineau Pr. D	3½	'70	82	86	82
Gt. Lakes Pr. ex wts.	5¾	'77	98	100	98
Maclaren-Quebec Power	3	'69	83	88	83
Mex. Lt. & Pr.	5	'75	81	...	80
Nat. Lt. & Pwr.	4½	'61	96	99	96
North Que. Pr.	4½	'67	89	92	89
Power Corp.	5½	'77	96	99	96
Que. Nat. Gas.	5¾	'85	89	92	89
St. Maur. Pwr.	3½	'70	83	86	82
Shaw. W. & Pr.	4¾	'76	91	94	90
Trans Can. PL	5.85	'87	94	96	93
W'coast T. Deb.	5½	'88	76	78	77
Industrial Issues:					
Abitibi Pr. P.	6½	'77	102	106	101
Do.	4	'74	88	91	87
Acadia-Atlantic Sugar	4	'74	82	...	82
Alum. Co. of C.	4½	'73	90	92	91
Bathurst P. & P.	5½	'73	93	96	93
Bicroft-Uran.	5	'62	96	98	96
Can. Bread	4½	'67	89	92	89
Can. Cement	5½	'76	95	98	93
Can. Steamship	4	'66	90	93	90
Cdn. Brew.	4½	'81	84	87	84
Can. Canners	3¾	'70	84	87	83
Can. Celanese	3	'62	90	93	90
Can. Chemical	5½	'71	93	96	93
Can. Industries (1954) Ltd.	3¾	'74	83	85	83
Cdn. Dyno	6	'63	79	82	79
Cdn. Oil	4	'76	82	84	80
CPR	3¾	'72	81	84	81
Can-Met	5½	'63	55	60	55
Cockshutt F. E.	4½	'65	90	93	90
Cons. Denison	5	'62	96	99	96
Dom. Fdrs. & S.	4½	'69	92	95	92
Dom. Stores	5½	'76	97	100	97
Dryden Paper	4¾	'74	90	93	89
T. Eaton Accept.	4¾	'74	89	91	89
T. Eaton Realty	5½	'76	94	97	94
E. B. Eddy	4	'74	82	84	82
Elk Falls Co.	5	'75	91	93	91
Gen. Mot. Acc.	4¾	'69	92	95	92
Gt. Lakes Pap.	5	'76	91	93	90
Gunnar Mines	5	'60	99	102	99
Hud. Bay O&G	4	'75	83	86	83
Husky Oil	5	'69	87	89	87
Imp. Tobacco	3	'70	82	85	82
Imp. Oil	3	'69	83	86	83
Indust. Accept.	6	'77	100	103	100
Loblaw Groc.	6	'77	100	103	100
Lorado Uranium	6	'62	50	55	52
Maple L.M.	3¾	'63	92	95	92
Massey-Ferg.	4½	'76	88	91	88
North Cdn. Oil	5	'75	75	80	75
Northspan	5¾	'63	78	80	80
Ont. Jockey Cl.	5½	'72	89	91	88
Phillips Elect.	5	'73	91	...	90
Price Bros.	3½	'66	87	90	87
Pronto Uran.	5	'60	99	102	99
Regent Refin.	4½	'75	84	88	84
Rio Tinto	5	'63	92	95	92
St. Law. Corp.	5	'72	91	94	90
Sal.-Shirriff-H.	6	'77	99	101	99
Simpsons Ltd.	4¾	'73	93	96	93
Simpsons-Sears.	4½	'79	90	93	89
Steel of Can.	2¾	'67	84	88	84
Traders Fin.	4¾	'71	88	90	88
Union Accept.	5½	'68	93	...	93
United Gr. Gr.	3¾	'70	83	86	83
Weston, Geo.	4¾	'71	90	93	88
CONVERTIBLE ISSUES					
Abitibi Pr. & P.	4½	'66	97	100	96
Atlas Steels	5	'67	113	...	109
Braz. Trac. L&P	4½	'71	74	77	73
CPR	3½	'66	88	90	88
Do.	4	'69	90	93	90
Cdn. Petrofina	4	'72	86	88	86
Cockshutt F. E.	5	'68	93	95	92
Home Oils	5¾	'71	108	111	108
Shaw. W. & P.	5½	'72	111	114	110
Westcoast T.	5½	'88	87	89	86
Loblaw Groc.	4¾	'76	141	146	141
Phillips Elect.	5½	'70	94	...	93½
Silverwood D.	5½	'72	103	106	103
Triad Oils	4¾	'71	84	87	84

Municipal Bonds

July 21, 1959

Calgary	3½	'69	82	84	5.60
Edmonton	3½	'69	82	84	5.60
Halifax	3½	'66	85¾	87¾	5.65
Hamilton	3	'67	82	84	5.50
Metro. Tor.	5	'77	91	93	5.60
Metro. Tor.	4¾	'78	88¼	90¼	5.80
Montreal	5¼	'78	92¼	94¼	5.75
Moose Jaw	3½	'80	95	97	5.60
Ottawa	3¼	'68	82½	84½	5.45
Regina	3	'64	86	88	5.80
Saint John	3½	'65	87	89	5.70
Toronto	3	'68	80½	82½	5.50
Vancouver	3¾	'69	83¼	85¼	5.76
Victoria	3¾	'68	84½	86½	5.70
Windsor	3½	'75	76	78½	5.50
Winnipeg	3	'69	79	81	5.50

Gold Bars Quoted

Rate Reported by Doherty, Roadhouse & Co., Toronto.

Canadian kilo bars of gold approximately 32 oz. each.

July 21, 1959

	Bid	Asked
	—per oz.—	
Latest week	$33.70	$33.80
Previous week	$33.55	$33.75

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$24.50	$24.50	$23.00
Hogs	24.75	24.55	31.33
Copper, lb.	.29½	.31½	.25
Coffee, lb.	.37¼	.36½	.47¼
Sugar, raw, lb.	.0575	.0575	.0578
Hides	.28½	.29½	.14
Weekly Commodity Indices			
Dow Jones Fut.♦	149.75	149.98	156.64
U. S. Labor	119.3	■119.4	119.3

Monthly Price Indices

	Latest month	Previous month	same month last yr.
Canada (D.B.S.):			
Retail C.P.I.* (June)	125.9	125.6	125.1
W'sale (May)	231.2	231.2	228.3
C. F'm Pr.* (May)	218.8	213.7	229.8
U. S. W'sale (Mar.)	119.6	119.5	119.7
Gt. Br. W'sale♦ (Mar.)	111.6	111.7	111.0

Base of price quotations is as follows: Cattle-Steers, good up to 1,000 lb., to price Toronto. Copper-electrotypes, New York. Coffee No. 4 Santos. Spot Raw Sugar 96 degrees centrifugal c.i.f.

*Base years 1947-49=100.

♦Base years 1924-26=100.

♦Base year 1954=100.

■Revised.

Record of Financing

Dominion Governments. Offerings of Corporations and Securities.

DOMINION

Government of Canada Treasury Bills — Due Oct. 9, 1959, and Jan. 8, 1960, $135,000,000. Issued July 10, 1959. Sold at $98.755 to yield 5.06%.

MUNICIPAL

City of Stratford, Ont. — 5½% debentures, due June 1, 1960-73, $102,985. Bought privately by Bell, Gouinlock & Co. Ltd.

Township of Grimsby South, Ont. — 5¾% debentures, due Aug. 15, 1960-79, $210,000. Issued June 15, 1959. Bought privately by Bell, Gouinlock & Co. Ltd.

Protestant School Trustees for the Mun. of St. John's, Que. — 5½% debentures, due June 1, 1960-69, $410,000. Issued June 17, 1959. Sold at $96.55 to J. F. Simard & Cie, Ltee.

School Commission for Mun. of Town of Chicoutimi-North, Que. — 5½% debentures, due June 1, 1960-69, $205,000. Issued June 22, 1959. Sold at $95.78 to Credit-Quebec, Inc.

School Commission for Mun. of Ste. Foy, Que. — 5½% debentures, due July 1, 1960-69, $755,000. Issued June 22, 1959. Sold privately to a syndicate of dealers headed by Garneau, Boulanger, Ltee, Banque Canadienne Nationale and J. T. Gendron, Inc.

City of Hull, Que. — 5½% debentures, due July 1, 1960-79, $277,000. Issued June 23, 1959. Sold at $95.64 to Demers, Adam, Ltee, Credit Anglo-Francais, Ltee and Morgan Ostiguy & Hudon Ltee.

Town of Richmond, Que. — 5½% debentures, due June 1, 1960-69, $24,000. Issued June 25, 1959. Sold at $97.109 to Belanger, Inc.

School Commission For Mun. of Ham North, P.Q.—5½% debentures, due July 1, 1960-71, $107,000. Issued June 28, 1959. Sold at $98.289 to Belanger Inc.

Catholic School Commission for Arvida, Que. — 4½% and 5½% debentures, due July 1, 1960-69-74-79, $800,000. Issued June 29, 1959. Sold at $92.51 to A. E. Ames & Co. Ltd., Royal Bank of Canada and Geoffrion, Robert & Gelinas, Inc.

Town of St. Francois, Que. — 5½% debentures, due July 1, 1960-69, $560,000. Issued June 29, 1959. Sold at $92.52 to Banque Provinciale du Canada, Banque Canadienne Nationale, Credit Anglo-Francais, Ltee, Credit-Quebec, Inc., Gaston Laurent Inc., Belanger, Inc. and Florido Matteau & Fils.

School Commission for the Mun. of St-Jean-de-la-Lande, Que. — 5½% debentures, due July 1, 1960-79, $104,000. Issued June 29, 1959. Sold at $98.41 to Rene T. Leclerc, Inc.

Roman Catholic Separate School City of Oshawa, Ont. — 6½% debentures, due July 2, 1960-79, $160,000. Issued July 2, 1959. Bought privately by J. L. Graham & Co. Ltd.

Township of Smith, Ont. — 6% debentures, due Aug. 1, 1960-79, $128,000. Issued July 2, 1959. Sold at $97.43 to Bankers Bond Corpn. Ltd.

Roman Catholic Separate School City of Belleville, Ont. — 6¼% debentures, due Oct. 1, 1960-79, $165,000. Issued July 6, 1959. Bought privately by J. L. Graham & Co. Ltd.

Town of Campbellford, Ont. — 6% debentures, due July 2, 1960-79, $275,000. Issued July 6, 1959. Sold at $98.04 to Gairdner & Co. Ltd.

Village of Cobden, Ont. — 6¼% debentures, due Aug. 15, 1960-79, $96,450. Issued July 6, 1959. Bought privately by Bell, Gouinlock & Co. Ltd.

Township of West Oxford, Ont. — 5½% debentures, due Aug. 15, 1960-79, $50,000. Issued July 6, 1959. Sold at $96.00 to R. A. Daly & Co. Ltd.

CORPORATE

Ernest Carriere (1959) Inc.—6½% first mortgage serial bonds, to mature July 2, 1960-69, $250,000. Dated July 2, 1959. Offered at $100.00 and accrued interest by La Maison Bienvenu Ltee.

COMMON

Emco Limited — 120,000 common shares (without any nominal or par value). Offered at $14.50 per share by Dominion Securities Corpn. Ltd. and Midland Securities Corpn. Ltd.

Hardee Farms International Ltd.—108,301 common shares (without nominal or par value). Offered at $11.00 per share payable upon subscription on the terms and conditions set out in the subscription warrants by Dominion Securities Corpn. Ltd.

Oshawa Wholesale Ltd. — 213,000 class "A" non-voting shares (without par value). Offered at $8.50 per share by Ross, Knowles & Co. Ltd.

Higher Profit At Maritimes

Higher grade ore and better copper prices helped **Maritimes Mining Corp.** offset rising costs and lower operating rate in first half of 1959.

Total of 12,393,300 lb. of copper were turned out in the period (12,239,600 in the same period last year).

The increase came despite a drop in operating rate to 1,921 tons daily (2,003 tons).

Operating costs climbed 8% at $4.02 ($3.72) per ton.

Taking copper at 28c a lb., company estimates first half operating profit at $897,112 ($617,794).

Difficulties in estimating profits result from delay in receiving settlement for production. Because shipments to smelter can only be made in the summer, Maritimes must wait for periods up to 11 months for settlement.

Company is waiting for settlement on over 18 million lb. contained in concentrate shipped to **Gaspe Copper Mines** by the close of the navigation season last year. Shipments resumed on June 7.

Result of time lag can play havoc with estimates. To May 31, over $206,000 in excess of company's estimates had been received on 1958 production due to higher copper prices.

THE HALIFAX INSURANCE COMPANY

Canada's Oldest Insurance Company

HEAD OFFICE HALIFAX, N.S.

The Napoleonic Wars were in full swing when the founders of this first Canadian insurance company took courage to embark into the heavy seas which beset business in those days. Assets now over $10,000,000.

Supervisory Office, TORONTO, James E. MacNelly, General Manager

Two-Front Drive By ViolaMac

With $1 million added to working capital through an underwriting, **ViolaMac Mines** is pushing work at two subsidiary operations.

Lake Cinch Mines is making progress in its shaft deepening and lateral development program, while production continues ahead of last year's level, G. A. MacMillan, managing director of ViolaMac, reports.

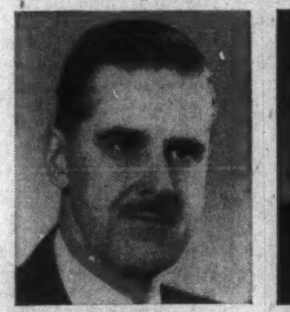
At the Porcupine district copper property of **KamKotia Mines,** drilling continues in an effort to boost reserves. Eight holes have now been completed, with further drilling and geological studies under way. Most values intersected in the drilling were between 2% and 3%, with some narrow intersections running as high as 5.29%.

JAMES RICHARDSON & SONS

ESTABLISHED 1857

Serving Investors Across Canada

ANNOUNCEMENT



SYDNEY C. STEPHENS
London, England, Representative
James Richardson & Sons
Canada

GEORGE HEYWOOD
Assistant Supervisor
Bond Department
(Western Canada)

NEIL R. EDWARDS
Manager
International Department
Toronto

G. PETER NARES
Resident Manager
James Richardson & Sons, Inc.
New York

Mr. Ralph D. Baker, General Manager, announces the following senior appointments in London, England; Winnipeg and New York.

Mr. Sydney C. Stephens has been appointed London Representative, James Richardson & Sons, Canada. Mr. Stephens, who will supervise the United Kingdom and European operations of the Firm's International Department from offices located at 7 Union Court, Old Broad Street, London E.C. 2, was formerly Supervisor, Bond Department (Western Canada). He has recently completed 25 years service with James Richardson & Sons.

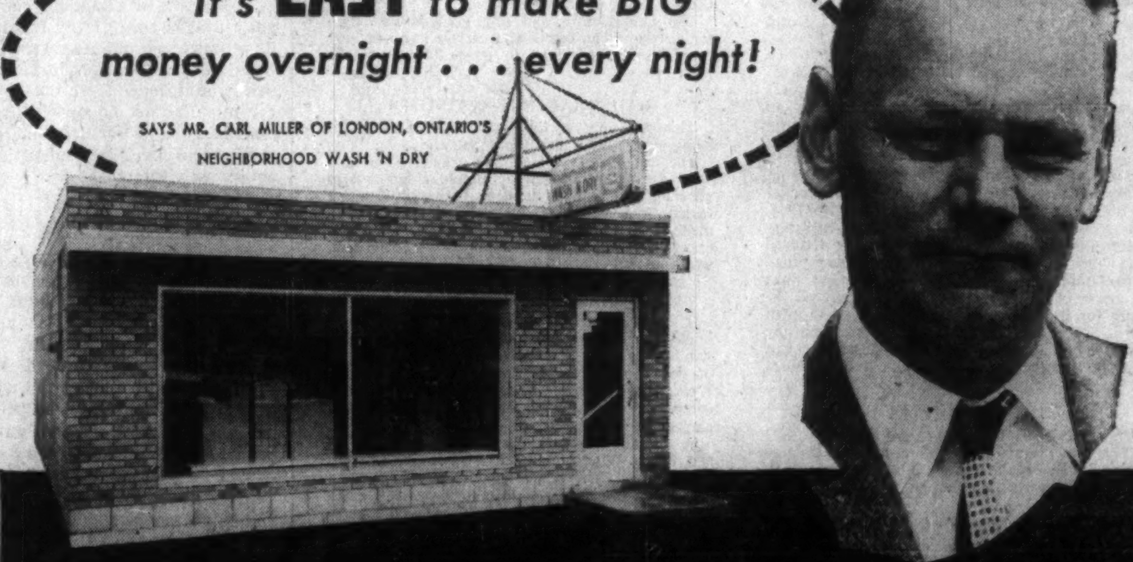
Mr. George Heywood, who succeeds Mr. Stephens in Winnipeg was formerly Assistant Manager of the Firm's Calgary office and prior to that he served as Manager, Bond Department in Vancouver. Mr. Heywood has also recently completed 25 years service with James Richardson & Sons.

Mr. Neil R. Edwards will continue to serve as Manager of the Firm's International Department in Toronto.

Mr. G. Peter Nares has been appointed Resident Manager of the New York office of the Firm's affiliate, James Richardson & Sons, Inc. Prior to this appointment, Mr. Nares was associated with the International Department in Toronto.

It's EASY to make BIG money overnight . . . every night!

SAYS MR. CARL MILLER OF LONDON, ONTARIO'S NEIGHBORHOOD WASH 'N DRY



EASY COIN-OPERATED LAUNDRY EQUIPMENT

WORKS FOR YOU RIGHT AROUND THE CLOCK

Here's a business that's a completely *automatic* operation! There are no clerks or attendants to hire! Even maintenance is just a matter of keeping the premises clean! In fact, there's virtually *nothing* to bite into your profits! *And,* talk about profits! Day *and night* customers come pouring in and drop their shiny quarters into *your* machines! You can actually make big money *while you sleep!*

Capitalize on this growing trend . . . investigate the EASY Self-Serve Laundry today!

EXTENSIVE EXPERIENCE— Specially trained and experienced men help you plan your store location, lay-out and promotion activities.

COMPLETE INSTALLATION—Automatic Washers . . . Dryers . . . Water Heaters and Softeners . . . coin changers . . . soap dispensers . . . everything is supplied . . . and backed by a 5-year labor and parts service guarantee.

GSW FINANCING — Simple financing terms at low interest rates can be arranged.

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DIVIDEND NOTICES

THE ROYAL BANK OF CANADA

Dividend No. 288

Notice is hereby given that a dividend at the rate of **fifty cents (50¢) per share** upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the 1st day of September, 1959, to shareholders of record at the close of business on the 31st day of July, 1959.

By order of the Board.
K. M. SEDGEWICK,
General Manager.

Montreal, Que.,
July 14, 1959.

DIVIDEND No. 390

BANK OF MONTREAL

ESTABLISHED 1817

NOTICE is hereby given that a DIVIDEND at the rate of FORTY CENTS per fully paid share upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at the close of business on the 31st day of JULY, 1959; shares not fully paid for by 31st July to rank for the purpose of the said dividend to the extent of the payments made on or before that date on the said shares respectively.

By Order of the Board.
R. D. MULHOLLAND,
General Manager.

Montreal, 14th July, 1959.

GREAT WEST COAL COMPANY, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of twelve and one-half cents (12½c) per share on the outstanding Class "A" and Class "B" shares has been declared payable August 15, 1959, to shareholders of record at the close of business July 31, 1959.

By order of the Board.
T. L. MATHIE,
Secretary-Treasurer.

Brandon, Manitoba,
July 15, 1959.

WAITE AMULET MINES, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that an interim dividend of Twenty Cents (20c) per share has been declared by the Directors of Waite Amulet Mines, Limited, payable September 10th, 1959 to Shareholders of record at the close of business August 18th, 1959.

By Order of the Board.
C. H. WINDELER,
Secretary.

Toronto, Ontario
July 13th, 1959.

ALUMINIUM LIMITED

DIVIDEND NOTICE

On July 15, 1959, a quarterly dividend of 12½ cents per share in U.S. currency was declared on the no par value shares of this Company, payable September 5, 1959, to shareholders of record at the close of business August 5, 1959.

Montreal
July 15, 1959

JAMES A. DULLEA
Secretary

TAYLOR, PEARSON AND CARSON (CANADA) LIMITED

Notice is hereby given that the 52nd quarterly dividend, at the rate of five per cent (5%) per annum in respect of all Preferred Shares of the Company, issued and outstanding, will be paid to all holders of Preferred Shares of record on the books of the Company as of July 30, 1959.

The dividend will be payable at the Head Office of the Company on August 14, 1959.

By Order of the Board,
TAYLOR, PEARSON AND CARSON (CANADA) LIMITED
G. C. MONTGOMERY,
Secretary-Treasurer.

Edmonton, Alberta,
July 14, 1959.

CANADIAN UTILITIES, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that a quarterly dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the 5% Cumulative Redeemable Preferred Shares of the par value of $100.00 each of the Company, and a quarterly dividend of One Dollar and Six Cents ($1.06) per share on the Cumulative Redeemable Preferred Shares, 4¼% Series, of the par value of $100.00 each of the Company, will be paid on the 15th day of August, 1959, to all shareholders of record at the close of business on the 31st day of July, 1959.

DATED at Edmonton, Alberta, this 7th day of July, 1959.

By Order of the Board,
T. A. MONTGOMERY,
Secretary

Market Bid and Ask Quotations

Montreal & Toronto
July 21, 1959

	Bid	Ask
Ang Am		
Ang-C Tel		
A Plp p		
Ang Hu		
xAng R		
xAnal		
Anthes		
Do B p		
xArcad		
Alg Bld		
Do pr		
xArc w		
xArea		
Argus		
Do 240p		
Do 250p		
xArjon		
xAsama		
Ash A		
Do B		
xAsh T		
Do A		
Do B		
Atl A		
Do p		
Atlas		
xAt Yk		
xAt-Ruf		
xAubel		
xAumac		
xAumaq		
xAunor	305	
Aut El	31½	
Aut F A	8	
Do B	360	
xAvilla	5	
xBly SA	755	
Do p	19½	
Do 5½	20½	
xBanff	138	
xBnkno	19	
xBnkfld	8½	
Bk Mtl	61	
Bk NS	80	
Banq Cn	57½	
Barb-E	55	
Do p	53½	
xBrclna	..	
xBarnat	153	
xBary E	60	
xBasco	73	
xBase M	15	
xBaska	21	
xBata	8	
Ba In	5	
Bath A	48½	
Do B	31½	
xB-Duq	20	
Beatty	9½	
xBeav L	18½	
B Lum	26½	27
Do A	17½	18
Do pr	..	28
xBelch	91	93
Bell	43½	43¾
xBellet	171	175
xBthlm	110	116
xBevcn	20	21
xBibis	14	14½
xBicrft	60	62
xBidcop	18	19
Bilt	7	8½
Do p	..	14
xBl Bay	12	14
Bl Rib	13	..
Do p	55	..
xBonvill	5½	6½
xBordul	7½	9
xBouzn	51	54
Bowater	6¾	7
Do pr	46	..
Do 5½p	49	49½
Bow Mer	46¾	49½
Bowes	32½	39½
xBoymar	8	8½
xBralorn	685	690
xBralsa	70	75
Brazil	5½	5½
Do pr	90	94½
Br Tnk	21½	22½
Do pr	46¾	47½
Bright	46	48½
Do pr	20½	25
xBritalta	215	220
BA Oil	37½	37¾
BCE 4 p	77½	..
Do 4½p	40½	41
Do 4½p	42½	42½
Do 4¾p	88	89
Do 5 p	48	49
Do 5½p	50½	51
BC For	15½	15½
BC P A	17	17
Do B	17	17½
BC Pow	38½	38½
BC Phone	43½	44
Brooke p	17½	..
xBr Reef	52	53
Brown	13½	14
Bruck A	12	13
Do B	425	450
xBrnhrst	5	6
xBrnsmn	5½	7
xBrnsk	260	280
xBufad	12½	13
xBuf A	165	170
xBuf RL	6	6½
Bld Prd	38½	39
Bull A	6	6½
Do B	5¾	..
xBunk H	7½	8
Burlton	19¾	20½
Burns	13	13½
Burr A	7	7
xCable	13	16
xCdmet	22	23
xCalalt	70	72
Cald 1 p	21	26
Cal Ed	24½	25½
Cal Pow	93	93½
Do 5 p	100	102
xCalv C	350	415
xCalvert	55	60
xC Chib	710	715
C Red L	10¾	11
Canada		
xC Bd	425	430
Do B	55½	..
C Cem	33½	34
Do p	28	28½
CCC St	14	16½
C Foil	22½	24½
Do A	22¾	22¾
C Fnd A	27¾	..
C Fnd	8¾	12
Cl Fnd	32½	32¾
Do 4¼	93½	96
C Life	216¾	..
C Mach	10	16
C Malt	62½	65
Do p	25½	25¾
xCO Lds	150	152
Do w	65	74
C P A	55½	56½
Do B	52	53
C Perm	68	..
C Saf 4p	90	93

	Bid	Ask
Do B	18¾	19¾
Camos	12½	13½
xCoulee	38	40
xCourn	10	11
xCowic	55	75
xCraig	215	235
xCrgmt	380	390
Crain RL	23	23½
xCre w38	208	209
xCrst	9	10
xCrsbk	155	170
Do p	21½	45
Do w	30	40
xCroi	9½	10
Cr Cork	..	62½
Cr Tr	31½	31¾
Cr Zell	52¾	54½
Do (C)	22½	..
xCrowp	14	15
Crow	17	18½
xCusco	8½	9
xDaer	20	21
Dlex p	85	89
xD'Ara	27	29
xDe C	20	24

DIVIDEND NOTICES

D. A. STUART OIL CO. LIMITED

DIVIDEND NO. 25
and
EXTRA DIVIDEND

Notice is hereby given that a quarterly dividend of Twenty-five (25c) Cents a share, and an extra dividend of Twenty-five (25c) Cents a share have been declared on the outstanding capital stock of this company and will be paid in Canadian funds on September 1st, 1959, to shareholders of record as at the close of business August 6th, 1959.

By order of the Board.
H. W. SALTHOUSE,
Secretary.

Toronto, Ontario, July 20th, 1959.

NORANDA MINES LIMITED

DIVIDEND NOTICE

Notice is hereby given that an Interim Dividend of Fifty Cents (50c) per share, Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable September 15th, 1959 to shareholders of record August 18th, 1959.

By Order of the Board.
C. H. WINDELER,
Secretary.

Toronto, Ontario
July 13th, 1959.

Unlisted Industrials

(Compiled by McDonnell, Adams & Co. Ltd., Toronto)
July 20, 1959

*Pledged for sale to company. (Unpledged free shares.)

Pater Meeting May Be Lively Opposition Stirs to Sale

With opposition stirring, next week's meeting of shareholders of **Pater Uranium Mines** may be a lively one. (A Blind River stockholder, J. J. Fitzgerald, has spearheaded formation of a Shareholders Protection Committee.)

The meeting has been called to consider proposed sale of company's Blind River copper property to **Pronto Uranium Mines,** which is 3 mi. away.

On news of the proposal, Pater stock reacted to the year's low of 26c a share, off from the year's high of 65c a share. It steadied at 28c. Pronto held steady near the $3.80 level.

Both companies are controlled by **Rio Tinto Mining Co. of Canada.**

Under terms of the proposed merger, Pater would sell its claim group to Pronto on basis of one share of Pronto for each 15 shares of Pater. Following the sale, Pater would be wound up and shares of Pronto distributed.

Opposition to the proposal stems from speed with which deal is being pushed. Shareholders in Blind River told **FP** they still had not received formal notice of the proposal at mid-week although the meeting is scheduled for July 28.

Because of the rapid fire developments, the opposition is currently seeking possibility of delaying meeting through legal proceedings.

Underground work at Pater has indicated one million tons of 2% copper ore. **W. H. Bouck,** president, says it is questionable whether this would justify construction of a mill on the property.

Under terms of the new proposal the ore would be mined and shipped to the Pronto mill which would be revised to handle copper ore after the uranium contract runs out in 1962.

No Payment Stanrock Interest Receiver Warns

Holders of **Stanrock Uranium Mines** bonds are being warned to retain their interest coupons and not attempt to cash them when they become due Aug. 1, 1959. The company went into receivership May 25.

Montreal Trust Co., receiver and manager of the Blind River area uranium producer, notes that any funds that might become available for distribution to bondholders must be applied first to payment of principal, secondly to premium, if any, and then to interest.

As and when funds become available for distribution to bondholders, the receiver must apply to the court for approval to pay out the money in that order, as set out in trust deed.

New Iron Ore Co. Pilot Plant Open In Labrador

From Our Own Correspondent

ST. JOHN'S, Nfld. — A pilot plant to test various processing methods has been opened by **Iron Ore Co. of Canada,** at Carol Lake, Labrador.

It will use a wet process until October when a dry method will be installed.

System found most practical and economical will be used in new $75 million plant to be built next year. Meanwhile **Wabush Iron Co.** is reportedly ready to proceed immediately with its plans for a pilot plant.

BETHLEHEM GRADE UP

Bethlehem Copper Corp. reports originally anticipated. Grade averages 1.27% copper, says H. H. Huestis, president. Total of 721 ft. of lateral work has been done on the zone to date in drive to outline the zone. At the main crosscut, a continuation of the adit, with of 161.5 ft. of the zone was intersected grading 1.21% copper. Two other crosscuts are to be driven across the north-south trending zone. Both ends are still open.

Toronto Curb

	Bid	Ask		Bid	Ask
Andian	6	6½	Dupont	25¾	26½
A C	42½	43	Do p	75½	77
Ang-N	8	8½	Gaspe	25¾	25¾
Asbest	31½	32	Hayes	23	28
B A B	47½	48	I Pap	120½	122
xBulolo	375	395	Do p	..	90
CD Sug	19¾	19½	I Util	36	37½
C Ving	38	38	Lang p	45	..
C Brnze	22½	23	Lob I	135	140
Do p	88	..	M Lrn	86	90
C Cott	16	..	MO Pap	31½	32½
Do p	16¾	16¾	Ogilv	..	53
CG Inv	38	38½	Do p	140	144¾
C Ing	39½	41	xPend O	260	270
C Marc	6½	6½	Price	[illegible]	[illegible]

Unlisted Mines and Oils

(By Brokers Dealers' Assoc. of Ont.)

Approximate quotations, 3.30 p.m., July 20, subject to confirmation and change. An asterisk (*) indicates an increase in price; a dagger (†) a decrease in price.

Abbican	20	23	Mallen	5	7
Abeta	4	6	Manecho	5	7
Aconic	45	50	Mar Bd	5	6
Do vt	40	50	Maree	1½	2½

Advances and Declines

Week Ended	Toronto Ups	Toronto Downs	Toronto No Change	Montreal Ups	Montreal Downs	Montreal No Change
June 5	330	406	178	129	148	132
June 12	281	484	184	114	157	108
June 19	217	523	192	93	188	116
June 26	279	471	175	98	181	137
July 3	421	242	174	145	112	111
July 10	402	333	172	170	119	89
July 17	274	411	204	125	134	111

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
July 20	527,000	2,014,000	39,719	78,625	3,640,000
July 17	463,000	1,720,000	57,220	126,680	3,910,000
July 16	703,400	1,840,000	40,559	117,862	4,470,000
July 15	734,100	1,879,000	38,241	94,387	4,470,000
July 14	407,700	1,604,000	39,147	72,981	4,330,000

Significant Investors' Index Numbers

No. of Securities	Mach and equip. 10	Pulp and paper 9	Milling 2	Oils 5	Textiles and clothing 7	Food and allied prod. 13	Beverages 10	Bldg. mater. 15	Industrials 73	Banks 7	Total utilities 13	Total co's 93
*1935 to date:												
High	947.5	1238.1	252.0	285.5	410.5	304.8	688.3	578.5	315.9	304.4	219.8	297.8
Low	48.5	51.6	59.7	40.9	77.7	72.4	78.3	68.7	56.1	65.4	64.5	60.6

*High and low for year from 1935 to date inclusive are based on weekly figures used by the Dominion Bureau of Statistics

DOW-JONES CLOSING STOCK AVERAGES

	30 Indust.	20 Rails	15 Util.	65 Stocks
July 20	654.54	165.75	88.96	218.34
July 17	657.13	166.96	88.95	219.21
July 16	658.29	168.49	89.19	219.99
July 15	660.57	170.34	88.93	220.86
July 14	657.70	171.55	88.84	220.59
Month Ago	631.71	164.79	85.90	212.13
Year Ago	471.66	118.43	78.31	163.12
1959 High	663.81	173.56	94.70	222.40
1959 Low	574.46	157.94	86.71	200.09

Grain Prices

Winnipeg Futures

Week to July 20, 1959

Crop year from Aug. 1, 1958 High	Low		High for Week	Low for Week	Close July 20
		Oats—			
.76½	.69¼	July	.74½	.74⅜	.74⅜
.77	.71	Oct.	.75	.74⅞	.74⅞
.74½	.72⅞	Dec.	.73½	.73½	.73½
.74¼	.74¼	May	.74¼	.74¼	.74¼
		Barley—			
1.03	.94	July	.94⅜	.94½	.94½
1.02⅞	.95¼	Oct	.96¼	.95⅜	.96
1.00⅜	.94½	Dec.	.95¼	.94½	.94⅜
.95¼	.94⅜	May	.95¼	.95	.95¼
		Rye—			
1.17½	1.04⅜	July	1.13⅜	1.11⅜	1.13⅜
1.16½	1.05⅜	Oct.	1.16½	1.13½	1.16½
1.17½	1.10½	Dec.	1.17½	1.14½	1.17½
1.20½	1.19⅜	May	1.20½	1.18⅜	1.20½
		Flax—			
3.13½	2.73½	July	3.07½	2.98⅞	3.07½
3.09	2.70	Oct.	3.09	2.99⅜	3.08½
3.02⅜	2.80½	Dec.	3.02⅜	2.93⅜	3.02½
3.06½	2.93½	May	3.06½	2.97⅜	3.06½

Winnipeg Cash

	High For Week July 20	Low For Week July 20	High Prev. Week	Low Prev. Week
Oats—				
2 C. W.	.75⅜	.75⅜	.76⅜	.75½
3 C. W.	.72½	.71⅜	.73½	.71½
Barley—				
1 Feed	.91½	.90½	.90⅜	.90
2 Feed	.90⅜	.88½	.89	.88
1 Malt	1.07	.99⅜	1.00½	1.00
Rye—				
1 C. W.	1.13⅜	1.12	1.11⅜	1.08½
2 C. W.	1.13⅜	1.12	1.11⅜	1.08½

Chicago Futures

Week to July 20, 1959

Crop year from Aug. 1, 1958 High	Low		High for Week	Low for Week	Close July 20
		Wheat—			
1.92½	1.79⅜	July	1.87½	1.86	1.87½
1.93½	1.81⅜	Sept.	1.91½	1.89	1.90½
1.96	1.79	Dec.	1.96½	1.94½	1.95½
2.01⅜	1.94½	Mar.	1.99½	1.97½	1.98⅜
1.98⅜	1.92⅜	May	1.97	1.95	1.96½
1.83⅜	1.76⅜	July	1.81⅜	1.79⅜	1.80½
1.85⅜	1.79½	Sept.	1.83⅜	1.81⅜	1.82½
		Corn—			
1.26½	1.15½	July	1.25½	1.22⅜	1.23½
1.24⅜	1.13½	Sept.	1.19⅜	1.18½	1.18½
1.16⅜	1.11½	Dec.	1.15½	1.13⅜	1.15
1.20⅜	1.16⅜	Mar.	1.19½	1.17½	1.19
1.21⅜	1.18½	May	1.20⅜	1.18⅜	1.20⅜
		Oats (old)—			
.67⅜	.60	July	.67½	.65½	.65⅜
.67⅜	.60½	Sept.	.67½	.65½	.66
		Oats (new)—			
.69⅜	.62	July	.68½	.67½	.68½
.69	.63	Sept.	.69	.67½	.68
.71½	.65½	Dec.	.70⅜	.67½	.69⅜
.72½	.67½	Mar.	.71½	.70	.70½
		Rye—			
1.31	1.15½	July	1.28⅜	1.25⅜	1.28½
1.30	1.15½	Sept.	1.30	1.27	1.29⅜
1.33⅜	1.21	Dec.	1.33⅜	1.30⅜	1.33½
1.35½	1.23½	Mar.	1.35½	1.32	1.35½
		Soybean—			
		July	2.22½	2.18⅜	2.22½
		Sept.	2.22	2.16	2.22
		Nov.	2.21⅜	2.15⅜	2.21⅜
		Jan.	2.25⅜	2.19⅜	2.25⅜
		Mar.	2.28½	2.22⅜	2.28½

Chicago Cash

	High For Week July 20	Low For Week July 20	High Prev. Week	Low Prev. Week
Corn—				
2 Yell.	1.26	1.25⅜	1.24½	1.24½
Oats—				
H. W.	.74	.71	.73⅜	.69½

N. M. PATERSON & SONS LIMITED
FORT WILLIAM WINNIPEG MONTREAL
GRAIN DIVISION
Grain and Coal Merchants
Country and Terminal Elevators
STEAMSHIP DIVISION
Carriers of All Bulk Cargoes

K. A. POWELL (CANADA) LTD.
GRAIN SHIPPERS AND EXPORTERS
GRAIN FUTURES
Owners and Operators
Fort William Terminal Elevator Co. Ltd. and Powell Transports Ltd.
Head Office—563 Grain Exchange, Winnipeg, Man.
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MORE THAN 50,000 FARMER-OWNERS WITH AN EQUITY IN THE COMPANY OF OVER $10,000,000

UNITED GRAIN GROWERS LTD.
CALGARY · REGINA · WINNIPEG · SASKATOON · EDMONTON

THE WEEK'S QUOTATIONS

Quotations here listed are the official, exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 39

Industrial Stocks

WEEK ENDING JULY 17, 1959

Range 1959 High	Low	Div. R'te $	Y'ld Jul17 %	Company	Sales	Last July 10	Week end. July 17 High	Low	Close or Latest
1.00	.40	..	..	Abitca Lumber	20500	.60	.60	.55	.55
40	34¼	1.70	4.5	Abitibi	12843	38⅜	38⅝	37½	37⅝
24	23½	1.12½	4.8	Do. 4½% pref.	565	23⅛	24	23½	23½
12	10¼	.60	5.9	Acadia Atlan.	385	10¾	10¾	10¼	10¼
98	94	5.00	5.3	Do. 5% pref.	40	†90	94	†90	94
22	19½	1.20	6.2	Do. (A)	670	20¼	20¼	19½	19½
17¾	17¾	..	..	Admiral	nil	..	B22¼	A22½	17¾
[illegible]									

Range 1959 High	Low	Div. R'te $	Y'ld Jul17 %	Company	Sales	Last July 10	Week end. July 17 High	Low	Close or Latest
12⅞	11	‡.26+‡.10		Capital Estates	600	12⅛	12	12	12
1.75	1.32	..	..	Carling Br. Alta.	550	1.46	1.40	1.32	1.32
14	13	.60+‡.35		Do. V.T.	nil	..	..	A1.60	1.50
38	38	‡2.00		J. B. Carter A	nil	..	B13	..	13¼
44	40	.50+‡.25		Do. B	nil	..	B35	..	38
60	54	1.00+‡.25		Catelli Food A	3635	41	40	40	40
71	57	1.60	2.6	Do. B	nil	..	..	A58	60
24½	19½	1.00	4.2	Chart. Trust	55	62¼	62	62	62
68	49⅛	‡.50		Chateau-Gai	195	24	24½	24	24
..	..	9d	..	Chrysler Corp.	5	66½	63	63	63
..	..	5½%	..	Cinzano A	nil	..	B1.70	..	†1.10
2.25	1.25	..	..	Do. 5½% pref.	nil	..	..	..	..
3.50	2.50	..	..	Circle Bar Knit.	nil	..	B1.10	A3.00	1.25
25	21	..	..	Do. A	100	3.50	3.50	3.50	3.50
14½	14½	.80	5.5	Cochrane-Dun.	nil	..	B23	A25	24⅞
16¼	12⅝	..	..	Do. A	nil	..	B14⅜	A16	14½
15¼	8	..	..	Cockshutt Farm.	620	14⅝	15	14⅜	14⅝
†15	†15	.75+‡.25		B. J. Coghlin	1485	8¼	8½	8⅛	8¼
16	16	.75+‡.25		Coll. Terminal	nil	..	B18	..	†15
14⅜	11	.60	4.2	Do. pref.	nil	..	B15½	..	..
[illegible]									

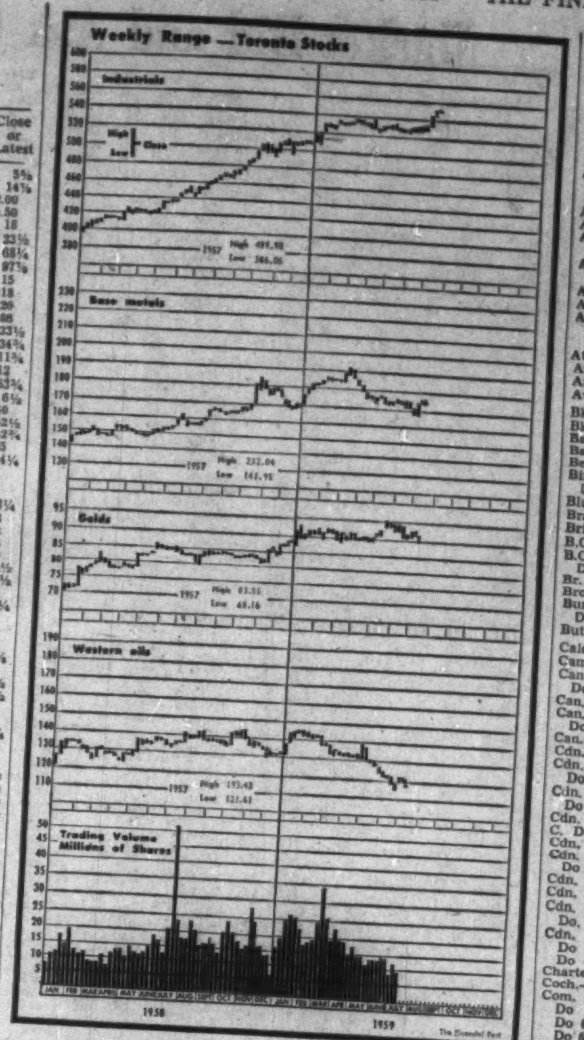
Range 1959 High	Low	Div. R'te $	Y'ld Jul17 %	Company	Sales	Last July 10	Week end. July 17 High	Low	Close or Latest
7½	5¾	..	..	Inland Nat. Gas	8830	5⅞	6	5½	5⅝
16⅛	14½	1.00	6.7	Do. pref.	245	15	15	14½	14⅞
3.25	1.90	..	..	Do. warr.	1300	2.25	2.10	1.99	2.00
4.90	4.30	.24	5.3	Interior Brew. B.	400	4.50	4.50	4.40	4.50
20	12½	.70	3.9	Inter. Bronze	50	19	18	18	18
25	22¾	1.50	6.4	Do. pref.	10	23	23½	23½	23½
70	67	‡4.00		Int. Mill pref.	nil	..	B68	A75	68¼
98¼	83	2.60	2.7	Inter. Nickel	14181	96⅜	98¼	96⅛	97⅞
21½	21½	1.20	6.7	Inter. Paints A	nil	..	..	A15	15
121¾	108	‡3.00+‡		Do. pref.	nil	..	..	..	..
†86	†86	‡4.00		Int. Paper	1123	116	120	116¼	120
[illegible]									

Section headings in the quotation columns: C; Canada; Canadian; D; E; F; G; H; I; J, K, L; M; N; O, P, Q; R; S; T, U; V, W, Y, Z.

Range 1959 High	Low	Div. R'te $	Y'ld Jul17 %	Company	Sales	Last July 10	Week end. July 17 High	Low	Close or Latest
[illegible]									
62	[illegible]	1.40+‡.40		Imperial Bk.	2339	73	74	73	74
7.15	6.00	..	..	Do. rights	10438	6.60	6.85	6.65	6.75
35⅛	31¼	1.50+‡.10		Imp. Flo-Glaze	nil	..	B31⅝	A35	34
12⅜	10	.50	4.6	Imp. Invest. A	4555	10½	11	10¼	10⅞
21	20	1.25	6.3	Do. 6¼% pfd.	nil	..	B19⅜	A20	†19⅞
22¼	21¾	1.40	6.3	Do. $1.40 Ser. P.	35	23	22½	22¼	22½
82	77½	2.00	2.5	Imperial Life	nil	..	B79	A80	80
48⅛	38½	1.20	3.0	Imperial Oil	9749	41	41	39	39⅞
14½	12½	.50+‡.17½	3.8	Imperial Tob.	5149	13⅜	13⅜	13	13
6⅛	5½	6%		Do. 6% pref.	1710	5⅞	6	5⅞	6
40⅞	35½	1.00	2.5	Indust. Accept.	10372	39⅞	40⅞	39⅞	40⅞
95	87¼	4.50	4.9	Do. 4½% pfd.	485	89½	91	91	91
45½	43½	2.25	4.9	Do. 4½% p $2.50p	1050	45	45½	45	45½
53½	49½	2.75	5.4	Do. 5½% pref.	10	50⅛	51	51	51
15.87½	11.00	..	..	Do. warr.	11060	15.00	15.87½	14.25	15.25
7¾	6¾	.50	7.4	Ingersoll Mach. A	25	7	6⅞	6⅞	6⅞
7½	4¾	..	..	Inglis, John	3232	5⅝	6	5½	5½
5½	5⅛	..	..	Ingram & Bell	nil	..	B7⅜	..	5½
12	11¼	.60	5.0	Do. pref.	20	†13	12	12	16¾
22	17½	1.30		Inland Cem. pf.	6740	20	22	20¼	21¾
2.80	2.40	..	..	Inland Chem.	100	2.60	2.50	2.50	2.50

Where there have been no transactions during the week covered, the word "nil" is shown under sales and the quotations shown are the bid, ask, and last sales price, instead of high, and close.

Range 1959 High	Low	Div. R'te $	Y'ld Jul17 %	Company	Sales	Last July 10	Week end. July 17 High	Low	Close or Latest
[illegible]									
17½	15	..	5.3	St. Law. Cem. A	325	15¼	15½	15	15¼
19⅝	16¼	1.00	5.1	St. Law. Corp.	12165	19	19	18⅛	19
101	97½	5.00		Do. 5% pf. A	150	99½	99	99	99½
1.30	.85	..	..	St. Maurice Gas	48300	1.25	1.30	1.20	1.25
16¾	12⅝	1.12		Salada Shir.-Hor.	4279	13⅛	14	13½	13½
11.25	7.60	..	..	Do. warr.	630	9.00	9.00	9.00	9.00
14⅛	12	1.20		Sangamo	nil	..	B12	..	14⅛
11	8	.80	7.3	Scarfe & Co. A	50	11	11	11	11
..	..	..	..	Do. B	nil	..	..	..	7⅝



Dividends Declared

	This payment $	Date payable	*Date of record
Acadia At. Sug. pfd 5%	1.25	Sep. 15	Aug. 20
Do A	.30	Oct. 1	Sep. 10
Agnew-Surpass	.15	Sep. 1	Jul. 31
Aluminium Ltd.	†.12½	Sep. 5	Aug. 5
Aluminum 4% pf	.25	Sep. 1	Aug. 7
Do 4½% pf	.56	Aug. 31	Aug. 7
Anglo-C. Tel. A	.30	Sep. 1	Aug. 10
Do 4½% pf	.56¼	Aug. 1	Jul. 10
Anglo Huronian	.25	Jul. 23	Jun. 26
[illegible]			
Sheraton Corp	†.15+5% stk.	Aug. 1	Jul. 3
Sher.-Wms. ord.	.45	Aug. 1	Jul. 10
Sidney Roof A	.32½	Aug. 1	Jul. 15
Signa M.	.10	Jul. 20	Jun. 30
Silverwood Dair A	.15	Oct. 1	Aug. 28
Do B	.15	Oct. 1	Aug. 28
N Slater	.15	Aug. 1	Jul. 10
So. Can. Pwr.	.62½	Aug. 15	Jul. 20
Stand. Fuel 4½% p	.56¼	Aug. 1	Jul. 15
Stanley Brock A	.15	Aug. 1	Jul. 10
Do B	.10	Aug. 1	Jul. 10

‡U. S. funds. ‡‡Participating divd. •Dividend action deferred. ‡Stock divd. ‡‡Initial. †Less than board lot. §Note: When sales show nil the figures are bid, ask and latest sale. ‡Paid or declared in 1958. ‡Extra paid in 1958, shown for record purposes only does not necessarily apply to 1959 dividend rate or payments. *Paid in 1958. ‡‡On Redempt. ‡Paid on arrears. ‡‡On arrears.

(Continued on page 41)

Mining Stocks

WEEK ENDED JULY 17

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 39

Oil Stocks

Range 1959 High	Low	Company & Dividend ($)	$Sales	Last July 10	Week Ending July 17 High	Low	Close or latest
		Canada					
2.35	1.42	Can. Oil Lds.	2200	1.42	1.46	1.46	1.46
1.05	.55	Do. warr.	950	.60	.59	.58	.58
1.25	.50	Can. So. Oil warr.	4100	.75	.75	.67	.70
5.00	2.85	Can. So. Pet.	10861	4.15	4.30	3.85	4.00
		Canadian					
1.57	1.06	Cdn. Chieft'n	25400	1.26	1.40	1.27	1.33
6.05	4.25	Cdn. Dev.	11905	4.70	4.75	4.25	4.40
2.90	2.05	Cdn. Ex. G.	73300	2.31	2.50	2.38	2.45
.10	.04	Cdn. F'tune	4000	.04½	.04¼	.04¼	.04¼
.62	.23	Cdn. H. Cr.	3013	.35	.35	.35	.35
1.85	1.12	Cdn. H'stead	1800	1.20	1.15	1.12	1.15
14.75	10.00	Cdn. Husky.	6108	10.75	10.75	10.25	10.50
8.50	5.00	Do. warr.	1160	6.00	6.00	5.70	5.70
3.00	1.50	Cdn. W. O.	14439	1.95	1.90	1.75	1.80
2.00	1.05	Cdn. Wil'ston	100	1.16	1.25	1.25	1.25
.60	.60	Carleton	nil		B.50	....	.60
.25½	.10	Castle O.	5000	†.10	.12	.10	.10
9.20	6.05	Cent. Del Rio	18049	7.00	7.10	6.85	7.10

Range 1959 High	Low	Company & Dividend ($)	$Sales	Last July 10	Week Ending July 17 High	Low	Close or latest
.10	.07	Vandoo	6000	.07	.07	.07	.07
1.15	.68	Van Tor	17300	.77	.74	.68	.72
		W, Y					
.22	.11	Wayne	54100	.19½	.19½	.17½	.18
.28	.17	Wespac	9247	.18	.17	.17	.17
.93	.73	W'burne	9875	.80	.84	.80	.80
2.32	1.30	W. Cdn. O&G	10795	1.60	1.59	1.40	1.40
1.09	.55	Do. warr.	550	.55	.74	.55	.65
2.25	1.40	W. Decalta	6035	1.63	1.66	1.54	1.65
4.25	3.60	W. L'holds	nil	...	B3.60	A3.75	3.75
1.06	.70	W. Naco	1000	.70	.70	.70	.70
.15	.08⅝	W. Warner	3500	.09½	.10	.10	.10
.14	.07	Y'ke Can.	1000	.07	.08	.08	.08

ₐU. S. funds. ₐₐInitial. †Less than board lot. ↓When shown nil the figures are bid, asked and latest sale. ‡Paid or declared in 1959. ‡Extra paid in 1958, shown for record purposes only; does not necessarily apply to 1959 dividend date or payments. •Dividend action deferred. *Paid in 1958. ▪Stock dividend.

Company Reports

Mining

STADACONA MINES (1944) Ltd. had a net loss of $45,244 in 1958 ($116,232 in previous year). Results are not comparable as mining and milling operations were halted on Nov. 5, 1958, as result of exhaustion of ore.

Loss would have been greater except that the company could high-grade without consideration to the life of the mine, President Roy Robertson states.

To handle disposal of mining and milling equipment, company has formed subsidiary company. All equipment was removed from the mine by year end and the workings were allowed to flood. Most equipment has been reconditioned for resale.

Company will seek shareholder approval at the annual meeting for use of residual liquid assets in the search for and development of new properties.

Total of 114,627 tons of ore were milled to Nov. 5, yielding $436,703 with recovery averaging $3.81 per ton. Additional $46,404 was recovered from clean-up operations, raising total recovery in the year to $4.21 per ton. In previous year $526,739 was recovered from milling of 135,153 tons of ore for average recovery $3.90 per ton.

Outside exploration program resulted in staking of two claim groups in Duparquet township in northwestern Quebec.

INCOME ACCOUNT

Years Ended Dec. 31:	1958	1957
Metal sales	$461,649	$526,739
Less: Oper. exps.	605,850	732,167
Admin. exps.	41,784	39,716
Operating loss	185,985	245,144
Add: Other inc.	7,741	8,912
Cost-aid assist	133,000	120,000
Net loss & deficit	45,244	116,232
Earned per Share	d$0.00	d$0.024
Paid	nil	nil
Shares o/s at Dec. 31:		
Common, n.p.v.	4,880,195¾	4,878,833¾

CONDENSED BALANCE SHEET

As at Dec. 31:	1958	1957
Cash & bullion	$66,615	$181,092
Accts., etc., rec.	26,738	12,434
Cost-aid assist	95,419	80,067
Demand loans	120,000	120,000
Prepaid exp.	....	11,756
Total curr. assets	308,771	405,349
Mkt secs.†ₐ	75,500	63,250
Inventories	31,129	64,497
Def. charges	....	29,082
Invest in subsid.	....	67,526
Other invests.	5,003	14,716
Lands & leases, etc.	3,501	113,500
Plant & equip.*	93,430	94,317
Total assets	517,335	853,237
Total curr. liab.	58,634	96,562
Capital stock	1,103,397	1,103,397
Less. Deficit	644,696	346,722
*After depr. of	1,017,319	1,017,319
†Mkt. value	87,700	63,500
Working capital	250,138	308,787

Oil

NEW SUPERIOR OILS OF CANADA had a net loss of $29,661 in year ended March 31, 1959 (profit of $21,761 in preceding year).

Hit by weak markets and declining production at Pembina, company curtailed program of land acquisition and exploration. To lessen the blow of falling income, a program of cost reduction was stressed, President E. A. Galvin says.

On April 1, 1958, company acquired assets of **Altex Oils** for consideration of 278,334 shares, issued on basis of one share New Superior for 7½ shares Altex.

Company's participation in producing wells increased 23% to equivalent of 50.97 net oil wells as result of acquisition of Altex. Net gas wells totaled 2.84 (1.67). But oil production was down 1.2% at 431,076 bbl., resulting in drop of production revenue of 7.2% to $817,480.

Proved and probable oil reserves amounted to 6.7 million bbl. at year end (6.5 million in year before) while gas reserves totaled 39.7 billion cu. ft. (31.9 billion).

Land position amounted to 116,005 net acres, ahead from 109,129 at previous year end.

When gas sales start from the Nevis field in November this year additional net revenue of $70,000 a year is expected. Company will have 8% interest in the unitized field.

INCOME ACCOUNT

Years Ended Mar. 31:	1959	1958
Prod'n rev.	$817,480	$880,435
Less: Oper., etc., exp.	121,334	110,780
Net prod. income	696,146	769,655
Add: Tech., mgemt. rev.	142,089	143,590
Misc. income	44,489	42,560
Less: Admin. exp.	118,961	101,862
Bank int.	206,046	193,024
Debenture int.	55,848	64,329
Lease rentals	39,777	30,852
Net profit before w/o	468,392	565,638
Less: Deprec.	131,090	155,275
Depl. & amort.	362,208	366,553
Prop. & dev. w/o.	4,929	22,807
Deb., bd. disc. (net)	†174	†758
Net profit	a29,661	21,761
†Credit. aLoss.		
Times Debenture Interest Earned:		
Before deprec.	9.39	9.79
After deprec.	7.04	7.38
Earn. per Sh.	d$0.016	$0.014
None paid.		
Shs. o/s at Mar. 31:		
Common, $1 par	1,797,751	1,519,417

CONDENSED BALANCE SHEET

As at Mar. 31:	1959	1958
Cash	$137	$84
Accts., etc., rec.†	427,425	347,870
Mktble. secs.*	....	100,000
Due from affil. cos.	61,257	239,800
Inventories	88,157	165,653
Prepaid exps.	1,726	38,049
Total curr. assets	578,702	891,456
Investments	312,607	407,079
Other assets	12,224	3,750
Devel., fixed assets↓	5,588,064	4,688,852
Debent. exp.	50,834	60,834
Total assets	6,542,431	6,051,971
Bank loans (sec.)	714,076	622,589
Due to affil. cos.	6,646	124
Accts., etc., pay.	317,857	164,962
S.f. install.	133,500	123,835
Total curr. liabs.	1,172,079	911,480
Bank loan	3,082,853	2,921,000
Funded debt	921,000	1,071,665
Capital stock	1,797,751	1,519,417
Paid-in surplus	196,831	196,831
Deficit	598,083	568,422
↓After res. of	3,516,102	2,540,555
*Mkt. val. of	....	12,000
†After res. of	7,903	7,925
Working capital	‡593,377	‡20,024

‡Excess of curr. liabs. over curr. assets.

CONTRACT AWARDED

From Our Own Correspondent

FREDERICTON—Crown Construction Co., Havelock, N. B., has been awarded a $129,975 Trans-Canada Highway construction contract in the Port Elgin district. It covers grading and graveling a 7-mi. stretch of the highway from Port Elgin, east on Route 16.

New Highs and Lows

During the week ended July 18, 49 new highs and 20 new lows were recorded among the general stocks on Canadian stock exchanges. In the mining group there were 10 new highs and 38 new lows. In western oils there were two new highs and 23 new lows.

GENERAL

New Highs — 1959

Algoma Steel, Aluminium, Auto Fabric A, C. Vinegars, C. Br. Alum. A, Do warr A, Do warr B, C. Collieries, C. Food 4½% p, C. Oil 8% p, C. Propane, Chateau-Gai, Comb. Enter., Cons. Fire Ins., Consumers Gas, Dom. Fdry, Edmon. Concr., En. & Heat. A, Do B, Fed. Fire, Gt. Lakes Pap., Hardee Farms rts, Huron & Erie, Indust Accept., Do warr, Inland Cement, Inter. Nickel, Inter. Util., Moore Corp. N., North Star Oil, Ogilvie Flour, Ont. Beauty S. p, Ont. Loan, Power Corp. 2 p, Premier Trust, Que. Power, Reitman's, St. Maurice Gas, Simpsons, St. Pav., Stan. St. Steel, Sun. Pub. B, Sup. Propane, Do warr, Taylor Pearson, Tor. Dom. Bank, United Corp. B, Walker-Good., Wood, J. A., Gen. Dynamics, Gt. West Coal A, Inland Nat Gas p, Do warr, Melchers pfd, Pembina Pipe, Penmans pfd, St. Law Cem. A

New Lows — 1959

Acadia Atlan, Do A, Boyles B, Brazilian Tr., C. Malting, C. Dredge New, Carling Br. Alta., Credit Accept., Dom. Coal pref., Dom. Glass, Fam. Players, Fed. Grain A

MINING

New Highs — 1959

Agnico, Atlas Sulphur, Coleman B, C. Northland, Int. Nickel, N.W. Vent, Opemisca, St. Lawr. R., Silver Stand., United Keno

New Lows — 1959

Alscope, Amer. Stand., Anthonian, Arcadia warr, Brunsman, Brunswick, Buffalo R. L., C. Thorium, Canuba, Chib. Jaculet, Coldstream, Comb. Metals, C. Bellekeno, C. Pershcourt, Cons. Que. G., Duvex, Glacier, Goldfields, Int. Ranwick, Jellicoe, R. J. Jowsey, Maralgo, Mid Chib., Min. Ore, Nama Creek, Nat. Explor., New Hamil, Newlund, Obaska, Orchan, Que. Cobalt, Que. Met., Rockwin, Valor, Tiara, Torwest, Trebor, Willroy warr

OILS

New Highs — 1959

Eastwood A, Sarcee

New Lows — 1959

Alminex, Amer. Leduc, Anglo Amer., Bluewater, Britalta, Calg. & Ed., Calvan, Cdn. Dev., C. Homestead, Castle Oil, Eastwood A, Long Point Gas, Merland, Mill Creek, N. Concord, N. Superior, Prairie, Royal Can. V., Submarine, Tidal Pete, Do warr, Van Tor, Wespac

Government of Canada and Canadian Provincial Bonds

Investors seeking the best security and marketability, combined with a generous income return, should now consider investing some proportion of their funds in Government of Canada and Provincial Bonds. Yields are higher now than in the past 25 years — ranging from 4½% to 5½%. List on request.

Enquiries Invited

KIPPEN & COMPANY INC.

Established 1922

Investments

MONTREAL

607 St. James Street West — Telephone: UN. 6-2463

J. BRADLEY STREIT & COMPANY LIMITED

MEMBERS:
The Toronto Stock Exchange
Canadian Stock Exchange
Calgary Stock Exchange
Winnipeg Grain Exchange

80 Richmond St. W. — EMpire 2-4211

TORONTO, ONTARIO

Company Reports

Food

TIP TOP CANNERS LTD., Greenville, Ont., reports a net profit of $16,155 for year ended April 30, 1959, compared with previous fiscal year's loss of $10,509.

Value of sales increased by 4% despite a highly competitive market, President W. B. Hyslop reports.

Company processed much larger quantities than it had anticipated, due to production of bumper crops in 1958. Inventory increased substantially, accounting for increase in bank loan.

INCOME ACCOUNT

Years Ended Apr. 30:	1959	1958
Operating profit	$40,603	$14,842
Less: Deprec.	28,804	27,962
Income taxes	4,644	↓2,611
Net profit	16,155	*10,509
Less: Cl. A divds.	11,683	11,683
Surplus for year	4,472	*22,192
↓Credit.		
*Loss or deficit.		
Earnings per Share and Dividend Record:		
Class A†	$0.69	d$0.45
Paid	0.50	0.50
Class B†	0.19	d0.95
†Before participation; no earnings available for participation in either year.		
Shares o/s as at Apr. 30:		
Class A, n.p.v.	24,366	23,366
Class B, n.p.v.	23,366	23,366

CONDENSED BALANCE SHEET

As at Apr. 30:	1959	1958
Cash	$8,500	$13,037
Accts. rec.↓	123,532	123,546
Insur. dep.	15,332	14,424
Inc. tax rec.	......	2,646
Prep. exp.	10,298	11,489
Inventories	525,572	371,680
Total curr. assets	683,333	536,984
Fixed assets†	174,718	174,280
Total assets	858,050	711,163
Due bank	410,000	260,000
Accts., etc., pay.	29,037	39,130
Taxes pay.	1,793	......
Total curr. liabs.	440,830	299,130
Def. liab.	77,500	77,500
Dividend reserve	11,683	11,683
Capital stock	116,830	116,830
Capital surplus	3,791	3,791
Earned surplus	207,416	202,169
†After deprec. of	561,149	542,953
↓After res. of	12,643	10,943
Working capital	242,503	237,674

MOUNT ROYAL RICE MILLS LTD., Montreal, net profit of $136,528 for year ended April 30, 1959, was 6.9% higher than previous fiscal year's $127,745.

Sales were well maintained with continued satisfactory increase in the distribution of package products, President Eric Redford reports.

Capital expenditures totaled $38,464.

A long-term option was obtained on a property in Ontario, for possible expansion of milling capacity.

INCOME ACCOUNT

Years Ended Apr. 30:	1959	1958
Net earnings	$281,108	$262,513
Less: Deprec.	29,660	29,799
Bond int.	1,875	1,875
Income tax	113,045	103,094
Net profit	136,528	127,745
Less: Divds.	75,000	75,000
Surplus for year	61,528	52,745
Times Bond Interest Earned:		
Before deprec.	149.92	140.01
After deprec.	134.11	124.11
Earnings per Share and Dividend Record:		
Common	$2.28	$2.13
Paid	1.00+0.25	1.00+0.25

CONDENSED BALANCE SHEET

As at Apr. 30:	1959	1958
Cash	$300	$300
Accts. rec.ₐ	117,166	125,245
Inventories	1,134,672	1,112,267
Prepaid exps.	16,757	14,864
Total curr. assets	1,268,895	1,252,676
Fixed assets*	282,935	272,607
Total assets	1,551,830	1,525,283
Due bank	413,782	423,077
Accts., tax., etc., p.	147,717	173,404
Total curr. liabs.	561,499	596,481
Funded debt	50,000	50,000
Capital stock	175,000	175,000
Earned surplus	765,331	703,802
*After depr. of	485,068	456,006
ₐAfter $6,000 provision for doubtful accounts.		
Working capital	707,396	656,195

SPACE HEATERS

B. F. Sturtevant Co. of Canada, Galt, Ont., will manufacture and sell the commercial and industrial direct-fired Fyre-Tube and Aire-Tube space heaters of **Johnson Heater Corp.**, Chelsea, Mass.

Dividends Declared

(Continued from page 44)

	This payment $	Date payable	*Date of record
Stedman Bros.	.30	Oct. 1	Sep. 11
Steel Co	.40	Aug. 1	Jul. 3
Steinbergs p 5¼% p	1.32	Aug. 15	Jul. 23
Sun Life Ass.	1.25	Oct. 1	Sep. 15
Switson Ind.	.07	Sep. 30	Sep. 11
Tay., Pear. & C. p	.12½	Aug. 14	Jul. 30
Texaco Can. pf	1.00	Jul. 20	Jun. 30
Do com.	.40	Aug. 31	Jul. 31
Tor.-Dom. Bk.	.47½	Aug. 1	Jun. 30
Union Gas	.08	Aug. 1	Jul. 3
Un. Cdn. Shs.	.30	Aug. 1	Jul. 16
Un. Fuel Invest. A	.75	Oct. 1	Sep. 4
Un. Keno Hill	.[illegible]	Jul. 20	Jun. 19
Un. Towns E 5% p	.13	Jul. 30	Jul. 1
Universal Cont.	†‡.07½	Jul. 31	Jul. 15
Ventures Ltd.	.25	Jul. 27	Jun. 23
Waite Amulet M.	.20	Sep. 10	Aug. 18
Westminster P. B	.17½	Jul. 31	Jul. 15
Yellowknife M	.02	Sep. 10	Aug. 10
Zeller's Ltd.	.30	Aug. 1	Jul. 2
Do. pfd.	.56¼	Aug. 1	Jul. 2

↓—Initial.
†—U.S. funds. ‡Extra.
*—The ex-dividend date is usually at least two full business days prior to the record date.
‖—First foll. 4 for 1 stk. split.
a1 pf. sh. for ea. 10 shs. held.

Company Meetings

Date	Company	Place
July 23	Cdn. Collieries	Vancouver
July 23	Cdn. Collieries	Vancouver
July 23	Cdn. High Crest Oils	Calgary
July 23	Standard Paving & Materials Ltd.	Toronto
July 23	Un. New Fortune M.	Toronto
July 24	Coldstream Copper M.	Toronto
July 27	Standard Radio Ltd.	Toronto
July 28	New Mylamaque Ex.	Toronto
July 28	Stadacona M.	Montreal
July 29	Can & Dom. Sugar	Chatham
July 29	Medallion Pet.	Calgary
July 29	Mount Royal Rice	Montreal
July 29	Sth. American Gold	New York
July 30	B.C. Packers Ltd.	Vancouver
July 30	New Superior Oils	Calgary
July 31	Asamera Oil Corp.	Calgary
Aug. 6	Yukon Cons. G.	Toronto
Aug. 7	New Continental Oil	Calgary
Aug. 12	Neon Products of Can.	Vancouver
Sep. 8	Sheraton Corp.	Boston, Mass.

To Unregistered Shareholders of

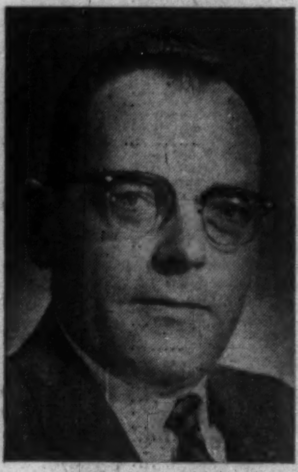
COLDSTREAM COPPER MINES LIMITED

Shareholders who hold certificates for shares of COLDSTREAM COPPER MINES LIMITED are urged to register them in their own names in order to receive information as to the exchange of the present share certificates for share certificates of North Coldstream Mines Limited and rights to subscribe for additional shares, all subject to the approval of shareholders at a General Meeting to be held on July 24th, 1959.

Registration of shares can be arranged through banks, brokers or investment dealers, or by forwarding certificates by registered mail to Guaranty Trust Company of Canada, 366 Bay Street, Toronto 1, Ontario.

COLDSTREAM COPPER MINES LIMITED

ANNOUNCEMENT



G. BRACEWELL

The appointment of G. Bracewell to the position of Comptroller was announced by Stanley Wilk, Vice President — Finance, of Polymer Corporation Limited, Sarnia.

Mr. Bracewell first joined Canadian Synthetic Rubber Limited, a member company of the original Polymer project, as a Cost Accountant on August 1, 1943, and on April 1, 1949, transferred to Polymer Corporation as Accountant. In March 1953 he became Manager of the Accounting Department, which position he held up to the time of his present appointment.

Born and educated in Hamilton, Ontario, Mr. Bracewell began his career as an accounting clerk for the Hamilton Cotton Company. He moved to the Hamilton Bridge Company as a cost-accountant prior to joining the Polymer organization. He is a past president of the International Chapter, National Office Management Association, and a member of the Accounting Forum.

Algom Net Up Preston Loss In Rio Group

Higher profits for **Algom Uranium Mines,** the big Blind River area producer with two mines, and a loss for **Preston East Dome Mines,** the Porcupine area gold producer. That's the picture for two members of the **Rio Tinto Mining Co. of Canada** group that reported first-half results this week.

Preston is the vehicle through which Rio Tinto holds its more than 50% interest in Algom.

Algom Uranium: Net profit rose 18% to $1.51 a share in the first half of 1959 ($1.28 a year ago). This is calculated on an outstanding capitalization of 4,344,797 shares (2,958,457).

Revenue includes total value of production at selling price, but inventory increased by 408,000 lb. during the period, W. H. Bouck, president, notes.

The additional contract will permit shipment of concentrates at the rate of 340,000 lb. at $8 lb. monthly from completion of the present contract (estimated to be August 1961) to March 31, 1962, he adds.

Here are Algom results.

	First Half 1959	1958
Tons milled	1,069,000	1,113,000
Gross revenue	$26,657,000	$28,015,000
Operating costs	10,750,000	12,911,000
Interest., admin., tax	1,527,000	2,359,000
Deprec. & preprod.	7,815,000	7,202,000
Est. net profit	6,565,000	5,543,000
Earnings per share	$1.51	$1.28

Preston East Dome: A net loss of $11,000 was reported after writing off a loss of $50,000 on disposal of an investment. Tonnage milled was lower.

Here are the figures.

	First Half 1959	1958
Tons milled	118,770	133,680
Gross revenue	$1,153,000	$1,329,000
Operating costs	1,020,000	1,097,000
Admin., explor., tax	80,000	67,000
Deprec. & def. devel.	14,000	37,000
Loss on invest. sale	50,000	......
Net loss (profit)	11,000	(128,000)

Cdn. Eagle Oil Accepts Offer

At a special general meeting in Toronto this week shareholders of **Canadian Eagle Oil Co.** accepted an offer from **Royal Dutch Petroleum** and **Shell Transport & Trading Co.,** London, Eng., to acquire the whole of the assets and business of Canadian Eagle.

Under the offer, Canadian Eagle shareholders will receive two shares of Royal Dutch and three shares of Shell Trading for every 12 shares of Canadian Eagle.

The purchasing firms already hold 21% of Canadian Eagle stock. The present offer is for the remaining 23,826,071 outstanding shares.

Taking Stock

What's going on in the mining and oil markets — the facts and rumors.

By FRANK KAPLAN

The steel strike in the U. S. focuses attention on Canadian iron ore producers who generally are expected to continue busy supplying demands of Canadian steel mills and building stockpiles in the U. S.

Iron Ore Co., the big Quebec-Labrador operation which includes the Hollinger and Labrador Mining team may reduce shipments to the Great Lakes and east coast of the U. S. from the present 1½ million-tons-a-month rate. But mining will continue, to build up stockpiles.

Similarly, **Steep Rock** expects to continue operating at the same rate. About the only property affected to a major extent is Marmoraton where employees are treated as part of the U. S. parent, **Bethlehem Steel.**

Reflecting the big year for Canadian iron ore is a DBS report that shipments rose 53% in the first five months of the year.

Here's how some iron ore stocks (three producers, two prospects) have been acting:

	Latest Price $	Early July $	1959 High $	1959 Low $
Steep Rock	a12⅝	13⅝	15¼	11½
Hollinger	33	31¼	35½	30½
Labrador	27¾	28½	31¼	25½
Iron Bay	2.00	1.85	2.55	1.60
Premium	5.00	5.75	7⅜	4.05

* * *

O'Brien Gold raises $131,569 by sale of shares taken up through rights. Rights, which expired July 17, gave shareholders the right to buy one additional share at $1 for every five shares held. If all rights had been exercised, 650,000 shares would have been taken up. But O'Brien stock only briefly traded at $1 or more and about the only rights exercised were those held by **M. J. O'Brien Ltd.,** the controlling stockholder firm.

As an O'Brien statement observed: "This action by subscribing shareholders is viewed as an expression of confidence that future development will fully substantiate the subscription price."

O'Brien currently trades at 72c. High this year was $1.07, low 66c. Company is developing the Little Bay copper property in Newfoundland and has 761,683 shares in **Alminex Oil** which trades at $3.40. The Alminex holding alone represents 77c per O'Brien share.

* * *

International Nickel touches the $100 barrier as it climbs into new high ground. (In New York, the equivalent U. S. dollar price was $104¼.) Inco is up $3⅞ from $96⅛ recently. Strength reflects both substantial pickup in nickel markets and firmness in copper after a brief shakeout.

Other copper issues also reflect reports of production cutbacks by some big copper producers which followed on the heels of a 1½c lb. cut in price of the metal by major U. S. firms. **Campbell Chibougamau** at $7.10 is ahead from a recent $7 bottom. **Consolidated Halliwell** strengthens on drills indicating extension of ore to depth. At 70c, this Haiti copper property compares with 63c recently. **Maritimes Mining,** the Newfoundland producer, strengthens to $1.23 from $1.07.

* * *

ON THE OIL AND GAS FRONT — prices continue to dog along to lower levels. Some mild interest in Lake Erie. **Baska Uranium** is starting on the first of two wells on 14,000 acres it holds off Port Alma. Shares at 23c compare with 22c. **Glacier Explorers** is launching a drilling rig this week. Shares at 34c firm slightly from 30c.

Among the leaders in oils, **Central Del Rio** attracts buying as it pushes ahead to $7.35 from a recent $7 level. **Canadian Export Gas** climbs to $2.40 from around $2.20. Company is joining with **Cree Oil** in a 3 mi. stepout in the Viking gas area at Sedalia, Alta., about 150 miles northeast of Calgary.

Higher Copper Prices Boost Noranda Net 23%

Sparked by higher copper prices **Noranda Mines** boosted net profits by 23% in the first half of 1959. Earnings per share were $1.29, ahead from $1.05 in the same period the year before.

Subsidiaries **Waite Amulet Mines** and **Gaspe Copper Mines** also scored gains reflecting the higher copper price through the first half.

Stronger copper prices offset a drop of 16% in output to 26,185,000 lb. of copper. Gold production was down 2,003 oz. at 95,473 oz.

The sharp rise of $1.2 million in depreciation reflects an increased rate of write-offs on the Cutler acid plant serving the Blind River uranium industry. But the higher provision for depreciation was offset by better revenues, president J. R. Bradfield states.

Subsidiary Gaspe Copper scored a 66% rise in operating profit as a result of high grade ore and better prices. For the first half, operating profit was $4,316,000, ahead from $2,324,000 in the same period last year. Copper output is expected to drop over 10% later this year as grade of millfeed is brought closer to average mine grade.

Noranda Copper & Brass profits are at a "somewhat higher rate" than last year, Mr. Bradfield says. **Canada Wire & Cable** is expected to show little improvement in profits as the wire industry remains intensely competitive.

Here are the Noranda first half results:

	First Half 1959	1958
Prod. revenue	$17,311,000	$15,390,000
Inv. income	2,703,000	2,561,000
Operating costs	7,262,000	7,764,000
Interest	829,000	998,000
Depreciation	3,191,000	1,991,000
Outside explor. w/o	250,000	250,000
Taxes	2,675,000	2,225,000
Est. net profit	5,807,000	4,723,000
Earnings per share	$1.29	$1.05

Waite Amulet profits were ahead 25% to 38c a share in first half 1959.

Rise reflects improved zinc and copper prices and lower development costs, Mr. Bradfield reports.

Production of zinc concentrate has been held within the limitation set voluntarily by Canadian producers following imposition of U. S. import restrictions late last year.

Mr. Bradfield stresses that although Canadian and other world producers are cutting back production to a point where supply and demand could be brought into balance, U. S. producers are campaigning for higher tariffs as they increase output.

Here are the first half results:

	First Half 1959	1958
Tons milled	151,063	141,823
Metal output	$1,530,400	$1,417,100
Div. from Amulet	594,000	462,000
Operating costs	462,900	637,700
Depreciation	24,800	37,500
Taxes	382,000	205,000
Est. net profit	1,254,700	998,900
Earnings per share	38c	30.5c

Agnico Profit Is Doubled

Agnico Mines more than doubled profits in the first half of 1959. Per share earnings climbed to 10.8c ahead from 5.1c.

Net profit to June 30, totaled $202,140, ahead from $101,978 in the same period last year. Total silver production in the latest period was 1,030,969 oz. with a gross value of $867,238.

In last year's period output totaled 862,158 oz. with value of $703,236.

Major factor behind the better earnings: Jump in ore grade to average of 19.9 oz. per ton this year against 14.9 oz. for the first half of 1958.

PULP & PAPER

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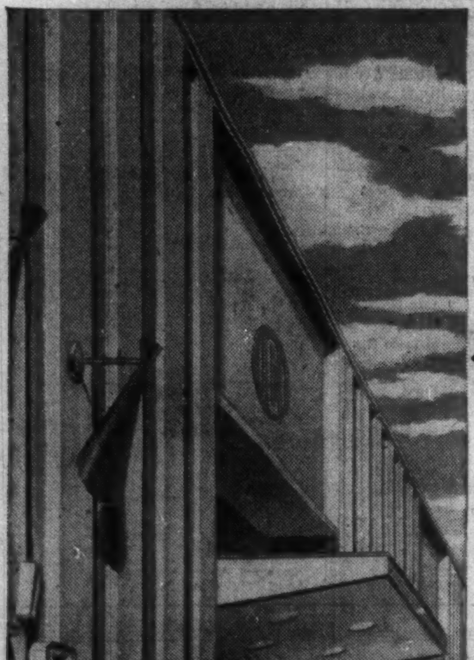

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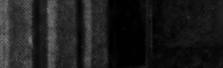

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Slash Costs Denison Net Jumps 123%

With operations at its giant Blind River area uranium property improving steadily, **Consolidated Denison Mines** more than doubled its profits in the first half of 1959 from the same period last year.

At $1.74 a share, net is ahead from 78c with 98c coming in the second quarter.

Mine operating and development costs were cut 14.5% to an average of $9.21 a ton from an average $10.77 a ton in the first half of 1958. Second quarter costs per ton at $9.09 are down 24c from the first quarter, Stephen B. Roman, president, reports.

Average recovery was 93.41% and grade of ore milled was 2.4 lb. uranium oxide. Working capital increased $3,887,581 at $5,604,843 notwithstanding payment of the balance of $6 million series A bonds and retirement of a substantial amount of sinking fund requirements due at the end of the year on the series B, he adds.

"The progress thus attained enables your company to fully consider diversification of the company's interests and initiation of dividend payments as circumstances warrant," Mr. Roman says.

Here are comparative figures:

	First Half 1959	1958
Tons milled	1,054,199	823,571
Gross Revenue	$23,756,000	$19,051,000
Op. costs & write-offs	15,990,000	15,616,000
Est. net profit	7,766,000	3,435,000
Earnings per share	$1.74	78c

Uranium Sales Off To Meet Schedule

Shipments of uranium oxide by Canadian producers declined in the second quarter of 1958 as a result of curtailment of output by more mines to meet delivery rates as specified in sales contracts.

In the quarter ended June 30, shipment to the U.S. Atomic Energy Commission dropped to $70,660,000 from the first quarter level of $79 million, reports **Eldorado Mining & Refining.** But first half total of $149,660,000 in 1959 is ahead 24% from last year's level of $120,475,000.

Record quarterly shipments were established in the final quarter last year at $81.5 million.

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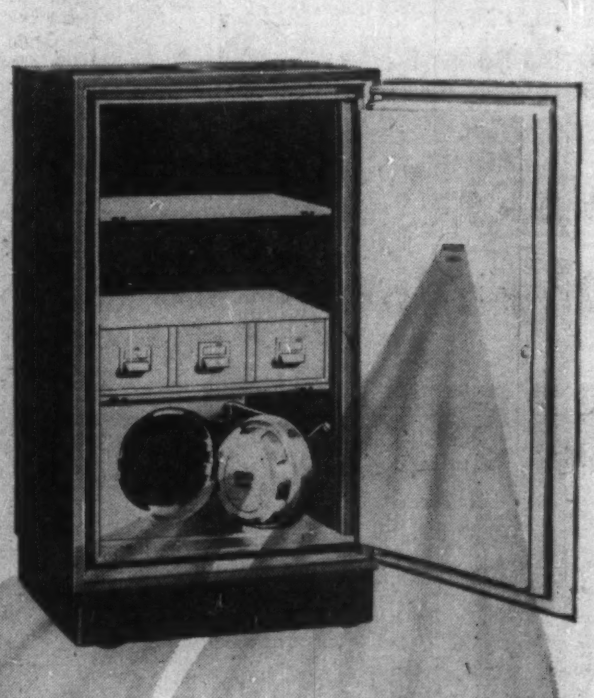

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Canada's largest manufacturer of safes and bank vaults

Two Up, One Down in Net Noranda Gold Box-Score

Two **Noranda**-controlled gold mines were able to chalk up slight improvements in profits in the first half of 1959 despite a lower price for gold. A third property had slightly lower profits.

Average mint price received for gold during the six months was down at $33.81 oz. ($34.01 oz. in first half 1958).

This 20c oz. drop reflects the higher premium on Canadian funds (average 3.39% vs. 2.52%).

Profit of **Aunor Gold Mines**, Porcupine camp producer, rose to estimated $214,400 ($212,-300).

Aunor boosted production by milling 740 tons daily (650 tons). This more than overcame a drop in gold recovery to $11.47 a ton ($12.51).

Underground development work was concentrated between the 2,125 ft. and 2,900 ft. levels with some drilling carried out from the exploration drift driven last year from adjoining Delnite's 3,500 ft. level.

Here are Aunor figures.

	First Half 1959	First Half 1958
Tons milled	133,872	117,841
Gold output	$1,535,400	$1,474,200
Invest. income	29,900	31,400
Cost aid assistance	110,000	120,000
Costs	1,339,800	1,291,300
Depreciation	37,500	36,000
Def. mine develop.	40,200	48,000
Taxes	43,400	38,000
Est. net profit	$214,400	$212,300
Per share	11c	11c

Hallnor Mines had an estimated net profit of $223,200 ($193,900 in first half 1958). In this Porcupine gold mine, fewer tons were milled but recovery of gold per ton increased to $14.25 ($12.88).

Drifting on the 23rd level developed 300 ft. of better than average ore. Drilling from this horizon indicated a narrow quartz vein with erratic gold values 180 ft. below the vein on the 23rd level.

The inclined winze will be sunk an additional 300 ft. to explore this lower vein.

Here are Hallnor figures.

	First Half 1959	First Half 1958
Tons milled	59,499	62,688
Gold output	$848,000	$807,700
Invest. income	70,800	62,500
Profit sale invest.	8,000	....
Costs	619,500	601,300
Depreciation	4,800	6,000
Taxes	79,300	69,000
Est. net profit	$223,200	$193,900
Per share	11c	10c

Pamour Porcupine Mines estimated profit slipped to $122,400 ($138,500) as both recovery and tonnage handled dipped.

Recovery was down at $3.15 a ton ($3.25).

About 30% of ore milled originated in the west end of the mine and averaged $4.07 a ton. East end ore averaged $3.22.

Development work consisted chiefly of opening up the No. 51 vein in the north lavas on the 600 ft. and 800 ft. levels in the east end and work was started toward installation of a crusher on the 2,900 ft. level.

Here are Pamour figures:

	First Half 1959	First Half 1958
Tons milled	313,980	322,877
Invest. income	61,100	59,100
Cost-aid assistance	217,000	189,000
Costs	1,129,500	1,140,300
Depreciation	15,000	15,000
Taxes	1,200	3,500
Est. Profit	$122,400	$138,500
Per share	2c	3c

Seek Approval For 241 mi. New Pipeline

From Our Own Correspondent

EDMONTON — Two multimillion dollar oil pipeline extensions are planned in Alberta. Approval of the provincial government is sought.

Peace River Oil Pipeline Co. plans to build a 130-mi. pipeline connecting the Valleyview-Edson line with Edmonton.

At present, there is a line from Sturgeon fields to Edson, where oil is delivered to the **Trans-Mountain** pipeline to Vancouver.

The proposed new 12¾-in. line would complete the company's long range plans and connect with facilities in east and west.

The other application has been made by **Rangeland Pipe Line Co.**, a subsidiary of **Hudson's Bay Oil & Gas Co.**, which has sought a permit to build a 111-mi. line from the Cessford field in southeastern Alberta to Calgary.

Estimated to cost $3 million, this 8⅝-in. line will have an initial capacity of 5,000 b/d. It will serve Calgary refineries with specialty crudes used in the manufacture of asphalt products.

Next Direction UP...

When interest of impatient observers turns to offbeat substances like potash and gold . . . and most commentators casually conclude that cyclical shares and commodities are going lower . . .

. . . then in shares representing the most useful substances . . . copper, lead, zinc, nickel, iron and vital alloying agents . . . the bottoming-out process is usually well advanced.

These signs combining in to-day's Canadian market to point in only one direction that we can detect . . . UP!

Read about it in the Cronenberg Reports. Five dollars will bring eight introductory issues.

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U.S. Relaxes, We Worry On Uranium

From Our Own Correspondent

WASHINGTON — The U.S. isn't the least bit worried about running short of uranium in the foreseeable future.

John McCone, chairman of the U.S. Atomic Energy Commission, told a government committee "I feel quite comfortable."

Among the reasons: Canadian uranium reserves, about twice the U.S. reserve "which is available to us because Canada has very little use for it. They sell a little to Great Britain and that is about all. They use a little themselves."

One of McCone's associates, Jesse Johnson — the man in charge of uranium buying for the U.S.—repeated to the committee previous reports (**FP**, April 25) that after 1962, the U.S. may be getting 80% or more of its uranium from domestic mines, compared with 49% in 1960.

In Canada, the uranium mining industry and, government officials are stepping up the pace of a search for markets for Canadian uranium immediately after contracts with the U.S. end in 1962-1963.

At the same time, they are pressing the U.S. to give a decision on options held on Canadian uranium to 1966.

Shares of Canadian uranium companies are trading at about the lowest levels since 1954, have been under selling pressure for two years (**FP**, June 6).

Beauce Plans Second Dredge In Gold Probe

Beauce Placer Mining has increased its gold-bearing gravel area on the Gilbert River in Quebec's Eastern Townships from 22 million cu. yd. to 25 million cu. yd.

Company expects to have enough yardage on neighboring rivers **to warrant a second dredge next spring**, M. J. Boylen, president, reports.

Four drills are working on river beds held by the company.

A dragline is stripping along the Gilbert where the first dredge will be installed shortly.

Originally, it was hoped that the dredge would be in operation sometime in August, but this plan has been delayed slightly.

New York Alaska Gold Dredging, a U.S. company directing operations, has taken up 200,000 shares at 75c and underwritten an additional 144,000 at 75c payable by the end of September.

This gives the U.S. company a 20% interest in the Canadian operations.

Mr. Boylen says yardage should be outlined quickly because drills are working in easier ground.

By this fall, yardage should be doubled from the present 22 million cu. yd.

Company is trying to outline enough yardage to justify a second dredge double the capacity of the 6-cu.-ft. bucketline dredge going on the Gilbert River.

Worth Noting

Financing agreements and changes in financing deals, major changes in capital, filing statements are listed as reported by the Toronto and Montreal exchanges, Ontario Securities Commission.

BIDCOP MINES, TSE filing statement, in respect of underwriting of 200,000 shares at 15c a share with options granted on further 800,000 shares at 15c to 30c a share; option taken on seven claims, Godfrey twp., Ont., at total cost of $22,000 and 100,000 free shares if exercised.

FARWEST MINING, TSE filing statement, to cover sale of 19,000 shares **Bethlehem Copper Corp.** for $35,558 and purchase of 200,000 shares of **Lake Central Mines** for $50,000.

GEO-SCIENTIFIC PROSPECTORS, purchased on open market total of 14,700 shares of **Temagami Mining** at cost of $43,529.

JONSMITH MINES, option installment of 200,000 shares at 25c a share, due July 9, together with all subsequent option installments extended for three months.

MAGNET CONSOLIDATED MINES, TSE filing statement covering change in board of directors and underwriting of 400,000 shares at 15c a share with options granted on further 600,000 shares at 20c to 30c a share.

MIDRIM MINING, advises sale of 94,904 shares of **Multi-Minerals**, reducing balance held to 854,405 shares, and purchase of 8,500 shares of **Fatima Mining**, raising total to 285,200 shares.

MONITOR GOLD MINES, prospectus filed with OSC in respect of underwriting of 50,000 shares at 10c a share with options granted on further 600,000 shares at 10c to 15c a share.

PITCHVEIN MINES, OSC amending statement to show underwriting of 200,000 shares at 12½ a share with options granted on further 800,000 shares at 15c to 30c a share.

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Placer Sells Its Oil Interests: What to do with $12 Million?

Watch for new pep in mining activity of **Placer Development.**

Sparking the possible surge is a $12-million nestegg from the sale of U.S. oil interests.

Most likely spots for this money:

- **A large zinc deposit** in Quebec's Mattagami area being explored by **Mattagami Lake Mines.**
- **A copper-iron deposit** in southern British Columbia near Merritt owned by **Craigmont Mines.**

In a move to replace an annual income that has averaged $533,000 since 1953 with working capital, Placer last week sold its wholly owned subsidiary, **Coronet Oil Co.**

This includes giving up a 40% direct royalty interest on portion of Coronet's producing acreage.

Income from oil and gas royalties were nearly one third of total revenue in the latest year for which results have been published.

Hamer Corp. of Midland, Tex., paid $12,190,436 for Coronet, major assets of which included 54.68% interests in producing Andector lease in Texas.

Oil leases were also held in California, Wyoming, Montana, New Mexico, and Louisiana.

Placer had invested about $918,000 in the oil interests, but now believes it "can probably use the money to better advantage in mining", a spokesman told **FP**.

Proceeds of the sales are equivalent to $4.72 a share of which $4.37 is in excess of book value. On the stock market the shares held steady at $11½ near the middle of the year's trading range of $10½ to $12¼.

Placer's move to raise cash has stirred speculation that new developments may be in the making at Mattagami Lake Mines. Placer has been participating in the northwestern Quebec zinc find through wholly owned **Canadian Explorations Ltd.**

If the operating group including Canadian Exploration, **Noranda Mines** and **McIntyre Porcupine Mines** decides to go ahead, it is likely that Canadian Exploration's share would have to come from Placer.

Income from the B.C. base metal operation of Canex wouldn't provide enough funds.

Craigmont Mines is another development that could call for large sums if a production decision is reached for the southern B.C. copper property. Noranda Mines and **Peerless Oil & Gas** are associated with Canex in the venture. Development has turned up over eight million tons of 1.99% copper.

And the same company could probably use additional funds in pushing its exploration program in Western Canada.

If Placer decided to pour the funds into any of its other assets, the money would leave Canada. Through wholly owned **Clutha Development**, Placer owns and operates a coal mine in Australia. Other major interests of Placer are shareholdings in South American gold dredging operations of **Asnazu Gold Dredging**, **Bulolo Gold Dredging** and **Pato Consolidated Gold Dredging.**

ANNOUNCEMENT

NEW SALES DEPARTMENT APPOINTMENTS AT ROYAL METAL MANUFACTURING CO. LTD.

Important changes in the sales organization of Royal Metal Manufacturing Co. Ltd., are announced by R. P. McLean, Vice-President and General Manager. "These changes," said Mr. McLean, "are part of this Company's pattern of aggressive merchandising and re-development of experienced personnel to strengthen the whole marketing operation, which will be centred in Galt".

R. (Russ) Nixon is appointed General Sales Manager. He has had many years of experience in all aspects of office and commercial furniture marketing. He comes to Royal Metal from Royalite Metal Furniture Co. Ltd., successors to Joseph Sankey (Canada) Ltd.

R. NIXON

C. W. A. STAGER

G. E. GITTINGS

C. (Charlie) Stager is appointed Assistant General Sales Manager. He has been with the Company for three years and has ably demonstrated his sales and marketing abilities.

G. (Gordon) E. Gittings is appointed Advertising and Sales Promotion Manager. He has been acting in this capacity for the last 18 months and has proved his qualifications for this post. His 5 years' service in the Sales Department has given him a thorough grasp of Company operations.

"These three men," said Mr. McLean, "form a marketing team. They will direct and promote the sale of the diversified products of Royal Metal Manufacturing Co. Ltd. and of its sister company, Royalite Metal Furniture Co. Ltd., successor to Joseph Sankey (Canada) Ltd. All appointments are effective as of June 1st."

FORT RELIANCE DRILLS

Fort Reliance Minerals, probing for extension of a copper zone at vertical depths below 200 ft. has resumed a surface drilling program on its Toad River area copper prospect in northeastern British Columbia. Company has $160,000 net cash position as a result of exercising of warrants to purchase an additional 315,500 shares, more than enough to carry out this year's work, J. Bradley Streit, president, reports. Previous shallow drilling tested the copper zone over a 600 ft. strike length.

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Shell Oil Company of Canada, Limited stands up and is counted among those who believe that *all* these liberties—and not least those inherent in our system of free enterprise—must be preserved with care and vigilance.

SHELL OIL COMPANY OF CANADA, LIMITED

Bruce Hutchison Says:

Down with Fowler Plan

"It wouldn't work according to Mr. Fowler's blueprint, but according to the rough, incalculable rules of politics . . ."

BRUCE HUTCHISON

A controlled economy would not work in peacetime as it did in wartime. Society's interests are too diverse and conflicting. . . .

By BRUCE HUTCHISON

WHAT Mr. R. M. Fowler, the brilliant president of the Canadian Pulp and Paper Association, intended to write in these columns the other day I don't know. What he did write was a fool-proof formula for the destruction of the private enterprise system.

After reading his piece half a dozen times, I would not insult Mr. Fowler (whose intelligence I have long known) by saying that he proposes some minor changes in our combines law. No, he has outlined the anatomy of a new economic system dominated from top to bottom by the state.

This may not be what Mr. Fowler or his great industry desires but it is the inevitable result of his thesis. For if he expects the private enterprise system to survive under his neat blueprint he ignores the final factor, which is the political system.

Now, I am not discussing Mr. Fowler's objections to the present combines law, a subject so complex that the government has hurriedly withdrawn most of its proposed amendments for further study.

If Mr. Fowler merely suggests that the combines law needs changing one way or another, that would not be surprising. But he is suggesting that the principle of competition itself, the very basis of the free enterprise system, is obsolete. That, from a distinguished private enterpriser, is not only surprising. It is well nigh incredible. Yet so the words read.

If the reader has any question about it, let him observe Mr. Fowler's admiration for our wartime system of complete state economic controls. By them, he says, we met the emergency of war and we can do the same thing, by the same method, in the present emergency of peace.

No doubt we could if the control system would work in peacetime as it worked in wartime.

It wouldn't, however. It would work in another fashion entirely, not according to Mr. Fowler's blueprint but according to the rough, incalculable rules of politics.

He conceives a system under which the heads of great businesses would fix prices and business practices generally, subject to the approval of the state and in support of broad state policy.

This, he thinks, would prevent inflation, hold down prices, stimulate efficiency, increase wealth, mitigate depressions and minimize unemployment.

Let us assume that it would do all these things (which I venture to doubt.) Does Mr. Fowler imagine that the process would end there? Of course it would not.

Since the existing government of politicians would approve all the decisions of the business managers, it would have to defend them before the voters.

It didn't have to defend them seriously in wartime because we were all united then on one supreme objective, were willing to accept almost any patriotic sacrifice of individual interest for the national interest of survival and we trusted the government to do the fair, wise thing.

In peacetime, when the element of patriotic sacrifice is largely removed, when society's interests are diverse and conflicting, when a large part of the people don't support the government, obviously its decisions on such things as prices would be widely condemned, the subject of continual quarrel.

The government would not do in these great affairs what the businessmen like Mr. Fowler recommended.

It would do what it considered most acceptable to a majority of the voters. Its decisions would not be military, as in wartime, or economic, as in Mr. Fowler's blueprint.

They would be political; that is to say, as popular as possible, sound or unsound.

Where does the decisive popular vote lie? Not assuredly with the businessmen, the economists and experts, the intellectuals like Mr. Fowler.

It lies with the mass of the people who know very little about business and to whom the whole economic process is an abiding mystery. A good chunk of the vote lies with the labor unions who are not in the least concerned with the profits of industry.

The legal combines proposed by Mr. Fowler might make the wisest decisions about prices, wages, production, distribution and everything else and submit them to the government for approval. Then what?

If these decisions provided for increased business profits, as might well be required economically; if they provided for no wage increases or, now and then, perhaps a wage reduction, as might also be required economically; if, in short, they were absolutely sound but, as a result, highly unpopular, does Mr. Fowler imagine for a moment that any government would try to defend them and get itself turned out of office for doing the right thing, as the businessmen saw it?

But assuming for the sake of argument that the state, advised by the businessmen, will always do the right thing regardless of elections, it can do so in the end only by controlling everything, including especially profits and wages.

Given the final responsibility for all economic decisions, the state in turn must give orders to business and to labor, down to the last detail.

Would business or labor agree to that? And if they did would there be any private enterprise left? Would there, indeed, be any real personal liberty left?

The all-powerful state resulting in practical politics from Mr. Fowler's thesis — though he does not seem to foresee it and doubtless does not want it — might be theoretically more efficient and more kind than a divided, quarreling, constantly changing private enterprise system. The socialists have told us that for years. The Russians say they have proved it beyond question.

If that be true, which is still far from proof, we know that the present system, with all its follies and contradictions, has given us the best life so far achieved, and the alternative imposes certain disadvantages rather more objectionable than inefficiency and even more risky, in a human sense, than all the risks of private enterprise.

Mr. Fowler has every right to denounce our present system and advocate a new one, provided he admits all the consequences. He does not admit them because, I presume, he does not foresee them, and he does not foresee them because he draws his blueprint in a vacuum of economic theory, when it must really operate in the brawling, crowded arena of politics.

At all events, we see here a fascinating dispute within the Liberal party. In the last Liberal convention Mr. Fowler was one of Mr. Pearson's first lieutenants behind the scenes, but to Mr. Pearson Mr. Fowler's blueprint is heresy and anathema. It denies the very foundations of Mr. Pearson's whole philosophy and all the fundamental dogma of his party.

The public breach between Mr. Fowler and his leader must be painful in private but they can settle it as they please.

Even more interesting is an accidental coincidence between Mr. Fowler's piece in FP and a piece in Maclean's Magazine by Mr. Ludwig Erhard, West Germany minister of economics, who says that the miracle of his country's recovery is due mainly to rough, tough business competition, no holds barred.

One never expected to see the day when a German statesman would be teaching private enterprise to a Canadian businessman like Mr. Fowler.

R. M. Fowler Says:

'Thoroughly Misinterprets'

"He has set up a straw man and then demolished him with his usual devastating logic . . ."

By R. M. FOWLER
President, Canadian Pulp & Paper Association

After reading Bruce Hutchison's lengthy comments on my speech about the combines legislation in FP, June 27, I can only conclude that I am a poor advocate.

If so acute and perceptive an observer as Mr. Hutchison can so thoroughly misinterpret what I said after half a dozen readings, the fault must surely lie with my powers of exposition.

It seems to me that he has set up a straw man and then demolished him with his usual devastating logic.

- I did **not** propose "a fool-proof formula for the destruction of the private enterprise system".
- I did **not** "outline the anatomy of a new economic system dominated from top to bottom by the state".
- And this is **not** the inevitable result of the thesis in my proposals concerning the Combines Act.

My proposal was a much narrower and more modest one.

I pointed out that the present legislation as interpreted by the courts has as its sole criterion for the regulation of business practices the preservation of free competition which is a concept that is not applied to many other areas of Canadian economic life.

Today an industrial agreement which interferes with the public's right to free competition over a sufficiently large area is a crime, even though the agreement achieves some positive public good in the circumstances of the time and supports desirable and defined public policies.

I believe that the preservation of free competition is a desirable public goal, but there are other public objectives which should also be given some weight in determining the legality of business practices.

Ours is a mixed economy, — not exclusively a free enterprise economy — and it is peculiarly dependent on international trade, in which government policies and participation have an important role to play.

It is too complex to have only one single test of public policy.

Certainly the reasonable preservation of free competition is an important goal but there are other national goals (e.g., the reduction of unemployment, the conservation of foreign exchange, or the restraint of inflation) which may, to some extent and at certain times, cut into the right to free competition.

I simply argue that our anti-combines laws and their administration should work in support of accepted national policies and not at times against them.

To achieve this requires no elaborate change in the present law or any massive intervention by government in business affairs.

The machinery of the Combines Act is quite suitable. But the test for the Restrictive Trade Practices Commission and for the courts would need to be the test, applied to each case as it arises, of specific and actual public detriment arising from the industrial agreement and not as at present the single theoretical test of interfering with the public's right to free competition.

Both the commission and the courts should look at actual results to see if, taking everything into account, the public is harmed or benefited by the agreement.

Incidentally, this would seem to have been the original intention of the Combines Act, from which its administrators and the courts have steadily departed.

I hesitate to challenge Mr. Hutchinson in a field in which he is expert and I am not.

But he might turn up the Hansard debates of 1923 (p. 2,520) when the Combines Act was first introduced by Mackenzie King (with whose life and policies Mr. Hutchison has had more than a nodding acquaintance).

The statement is worth quoting verbatim:

"I notice in one press report it was stated that the Act did not distinguish between good combines and bad combines. Well, that is the very distinction that is carefully made in the definition itself.

"Any combination, whether it is in the nature of a trust or merger or the result of some agreement, which is carrying on its business in a reasonable way, not operating to the detriment of the public or against the interest of the public, would not come under the important provisions of this legislation; once, however, it is shown that a combination is so operating as to prejudice the public interest, then that class of combination comes within the provisions of the act, first for purposes of investigation, and secondly, if need be, for purposes of prosecution under the criminal section which has been suggested . . ."

"The legislation does not seek in any way to restrict just combinations or agreements between business and industrial houses and firms, but it does seek to protect the public against the possible ill effects of these combinations."

I am quite content to accept this as a valid statement of Liberal policies in relation to combines.

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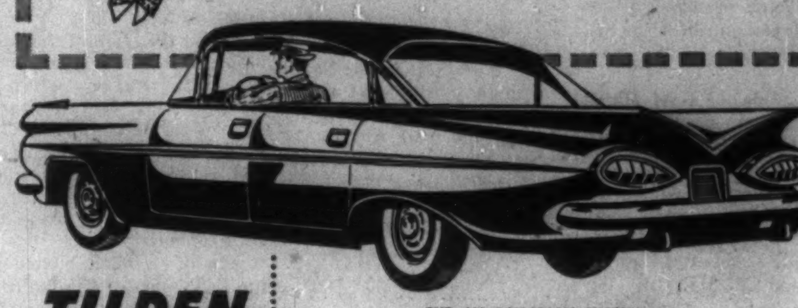

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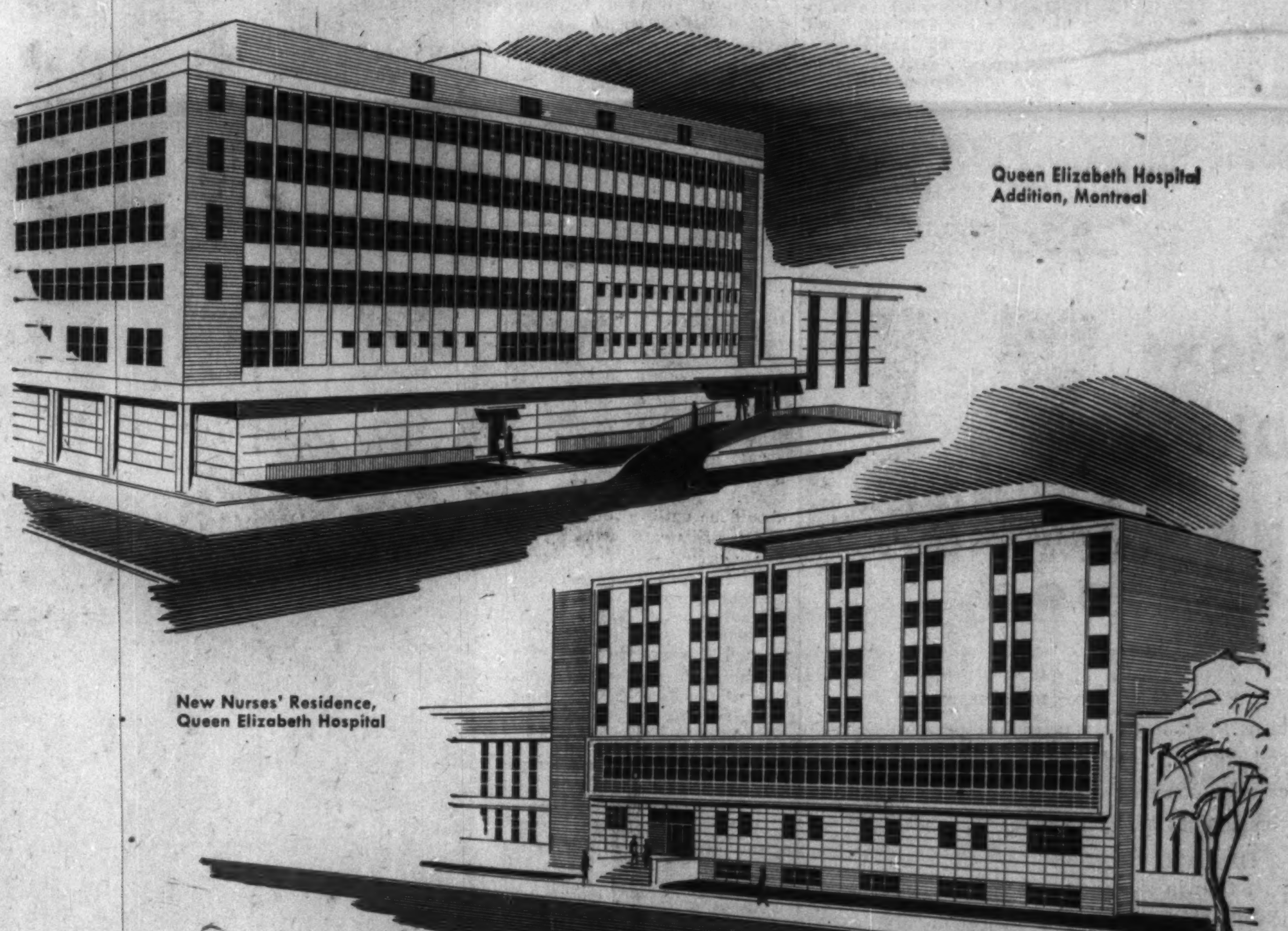

Many of Canada's finest hospitals have been built or enlarged by the Pigott Construction Company. In this field, Pigott Construction enjoys an ever-increasing reputation for trustworthy performance and on-time completion even in periods of scarcity of critical materials.

Hospital construction is, of course, but one of the widely diversified building activities which this third-generation company has carried through to successful completion. Pigott Construction is organized and equipped to assume responsibility for projects of every description no matter how vast or complex they may be. A permanent staff of experts in all phases of construction enables this company to go into action instantly to assist you in your construction planning.

"A Completely Canadian Company"

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